

INFORMATION MEMORANDUM

DHUNSERI INVESTMENTS LIMITED

Our Company is a Public Company incorporated as Dhunseri Marketing Limited in Kolkata on February 4, 1997 under the Companies Act, 1956. Our Company changed its name from Dhunseri Marketing Limited to DI Marketing Limited pursuant to a fresh certificate dated January 3, 2000 issued by the Registrar of Companies, West Bengal. Subsequently the name changed to Dhunseri Investments Limited pursuant to a fresh certificate of incorporation dated July 16, 2010.

Registered & Corporate Office: Dhunseri House, 4A, Woodburn Park, Kolkata- 700 020

Tel: +91-33-22801950 (5 lines), Fax: +91-33 -22878350/8995

Email: dhunseri@vsnl.com Website: www.dhunseriinvestments.com

Contact Person: Mr. R. Mahadevan

INFORMATION MEMORANDUM FOR LISTING OF 5,855,448 EQUITY SHARES OF RS. 10/- EACH

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Dhunseri Investments Limited (Formerly known as DI Marketing Limited) unless they can afford to take the risk of losing part or all of their investment. Investors are advised to read the Risk Factors page of this Information Memorandum carefully before taking an investment decision in the shares of Dhunseri Investments Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ISSUER'S ABSOLUTE RESPONSIBILITY

Dhunseri Investments Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Dhunseri Investments Limited, which is material in the context of the issue of shares pursuant to the scheme, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of Dhunseri Investments Limited is proposed to be listed on the Bombay Stock Exchange Limited (BSE), the designated stock exchange and the National Stock Exchange of India Limited (NSE).

REGISTRAR AND TRANSFER AGENT

MAHESHWARI DATAMATICS PRIVATE LIMITED

6, Mangoe Lane, 2nd Floor, Kolkata – 700 001,

Phone No: (033) 2243-5809/5029, Fax: (033) 2248-4787, E-mail : mdpl@cal.vsnl.net.in

Website: www.mdpl.in

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I. GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

| Term | Description |
|--|--|
| DIL or "Company" or "Our Company" or "we" or "us" or "Our" | Dhunseri Investments Limited, a Public Limited Company having its registered office at Dhunseri House, 4A, Woodburn Park, Kolkata- 700 020 |
| DPTL | Dhunseri Petrochem & Tea Limited, a Public Limited Company having its registered office at Dhunseri House, 4A, Woodburn Park, Kolkata- 700 020 |
| SAPL | South Asian Petrochem Limited |
| DPL | Dhunseri Polycarbonate Limited |

Conventional and General Terms

| Term | Description |
|---------------------------------------|--|
| Act / Companies Act | The Companies Act, 1956 and amendments thereto |
| Articles / Articles of Association | Articles of Association of the Company |
| Appointed Date | April 1, 2009 |
| Auditors | The Statutory Auditors of DIL |
| Board of Directors / Board | Board of Directors of the Company |
| BSE | Bombay Stock Exchange Limited |
| CDSL | Central Depository Services (India) Limited |
| Designated Stock Exchange | The designated stock exchange shall be Bombay Stock Exchange Limited |
| Equity Share(s) or Share(s) | Equity Share of the Company having a face value of Rs.10/- unless otherwise specified in the context thereof |
| HUF | Hindu Undivided Family |
| Information Memorandum | This document filed with the Stock Exchanges is known as and referred to as the Information Memorandum. |
| I. T. Act | The Income Tax Act, 1961, as amended from time to time, except as stated otherwise |
| Memorandum/ Memorandum of Association | Memorandum of Association of the Company |
| NSDL | National Securities Depository Ltd. |
| NSE | National Stock Exchange of India Limited |
| Promoter | Mr. C. K. Dhanuka |
| RBI | Reserve Bank of India |
| Record date | July 16, 2010 |
| Registrar and Transfer Agents | Maheshwari Datamatics Private Limited |
| Scheme of Arrangement or "The Scheme" | Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between Dhunseri Tea & Industries Limited, D I Marketing Limited, South Asian Petrochem Limited and Dhunseri Polycarbonate Limited and their respective shareholders for (1) Demerger of Jaipur Packet Factory and Investment Division (Demerged Undertaking) of Dhunseri Tea & Industries Limited to D I Marketing Limited and (2) Amalgamation of South Asian Petrochem Limited and Dhunseri Polycarbonate Limited with Dhunseri Tea & Industries Limited |

| | |
|-------------------------|---|
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 as amended from time to time |
| SEBI (ICDR) Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 notified by SEBI on August 26, 2009 |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1995. |
| Stock Exchanges | Shall refer to the NSE and BSE where equity shares of the DIL are proposed to be listed. |

CERTAIN CONVENTIONS, USE OF MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements prepared in accordance with Indian GAAP. Our last financial year commenced on April 1, 2009 and ended on March 31, 2010. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

All references to "India" contained in this Information Memorandum are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

For additional definitions, please see the section titled "Definitions, Abbreviations and Industry Related Terms" of this Information Memorandum.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified.

The information included in this Information Memorandum about various other Companies is based on their respective Annual Reports and information made available by the respective companies.

FORWARD LOOKING STATEMENTS

We have included statements in this Information Memorandum, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements".

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations in India;
- Changes in political conditions in India; and
- Changes in the foreign exchange control regulations in India.

For further discussion of factors that could cause our actual results to differ, see the section titled "Risk Factors" on page 6 of this Information Memorandum. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Industry" and "Business".

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

II. RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

INTERNAL RISK

- 1. Our Company is an investment Company and it is also engaged in tea packeting business. Its income is mainly derived from the investment activities including dividends receivable on investments on listed and unlisted companies.**

Since the Company is in the business of Investment our main income is that of dividends and profit on sale of investments. It is not sure whether we will receive dividends or gain profits on sale of securities on each transaction and on each company where we have invested.

- 2. Volatility of the Stock Market**

The basic business of the Company is investing in stocks, shares and bonds. The value of these stocks, shares and bonds depend on the prevailing Stock Market scenario. The future success of the Company would depend on its ability to anticipate the volatility of the Stock Markets and minimizing risks through prudent investing decisions. The Company can incur losses in securities. It should not be assumed that the methods, techniques, used by the Company will be profitable or that they will not result in losses.

- 3. Our company is not registered with the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC).**

The Reserve Bank of India is entrusted with the responsibility of regulating and supervising the Non-Banking Financial Companies by virtue of powers vested in Chapter III B of the Reserve Bank of India Act, 1934. In terms of Section 45-1A of the RBI Act, 1934, it is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. The online application reference number allotted to the Company by RBI is 1448. We are in the process of complying with all the requirements of RBI for obtaining the requisite approval at the earliest.

- 4. Our success is dependent upon the implementation of our strategic plans and if we are prevented from implementing these plans, our business, results of operations and financial condition could be materially affected.**

We are an investment company and we need to strategically plan the investments that we make. Any mis-calculation of financial risks by us can reduce the profitability which would affect our results of operations and financial condition.

- 5. Our business has not been fully launched; hence our operating results are limited and our future results may be difficult to predict.**

The Company is presently engaged in tea packeting activity. The Company shall commence investment activity after receipt of approval from Reserve Bank of India as an Non-Boanking Financial Company (NBFC). We are subject to all of the business risks and uncertainties associated with such operations.

6. Our business requires substantial capital, and any disruption in funding sources and access to capital markets would have a material adverse effect on our liquidity and financial conditions.

As we will get registered as a 'non-deposit accepting' NBFC and do not have access to deposits, our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the cost associated with raising capital. We may need to raise additional capital from time to time, which we may not be able to procure. Additional capital requirements imposed due to changes in the regulatory regime, new guidelines or significant depletion in our existing capital base due to unusual operating losses may arise. Thus our business depends and will continue to depend on our ability to access diversified funding sources. It should be noted that any issuances we make of equity securities, such as the Issue, will dilute the shareholding of our then-existing shareholders.

7. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and lender consents and there can be no assurance that we will be able to pay dividends in the future.

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Although the Company has paid maiden dividend for the year 2009-10 there can be no assurance that we will be able to pay dividends in the future.

8. Appointing skilled professionals and retaining them.

The success of our business depends on the efforts and judgments of our key management personnel. Their reputations, relationships with members of the business community and deep understanding of the equity markets and investments are critical to the success of our business. There can be no guarantee that these persons will not resign. Our success also depends on our ability to appoint and retain our finance, operating and investment personnel. If we are unable to employ professionals and retain our key management personnel or our finance operating and investment personnel or attract a sufficient number of these professionals, growth in our assets under management as well as execution of the investment strategies could be constrained or we could incur significant additional personnel expense. Any of the foregoing could have a material adverse effect on our business, results of operations and financial condition. The loss of the services of any of our key asset management and advisory personnel would compromise our ability to manage funds and investment opportunities.

9. Conflicts of interest may arise and our failure to deal with them appropriately could damage our reputation and adversely affect our business.

As we are an investment company, we may have overlapping investment objectives and conflicts of interest may arise with respect to our decisions on how to execute those objectives. We will seek to manage potential conflicts in a fair and equitable manner, if we are unable to resolve such conflicts of interest; the performance could potentially compromise our ability to invest and would have material adverse effect on our business, results of operations and financial condition.

10. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of the listed securities. Further, the Indian stock exchanges have experienced recent volatility, with the BSE index declining by almost 25% in the summer of 2006 before recovering and fluctuating significantly during the summer of 2007. The Indian stock Exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative

effect on market sentiment. If similar problems occur in the future, the market price or liquidity of the Equity shares could be adversely affected.

EXTERNAL RISK FACTORS

1. Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.

Our business has been, and in the future could continue to be, materially and adversely affected by Indian and international market and economic conditions. Such conditions in India include war; acts of terrorism; natural catastrophes; sudden changes in economic and financial policies; fluctuations in interest rates; and corporate or other scandals. International markets and economic conditions include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates; investor sentiment; inflation; the availability and cost of capital and credit; and the degree to which the international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions could affect confidence in the financial markets leading to decline in investor interest and can directly and indirectly affect demand for our lending finance and financial products.

2. A slowdown in economic growth in India could adversely impact our business.

We derive all of our revenues from operations in India and consequently, our performance and growth is dependent on the state of the Indian economy. The Annual Policy Statement of the Reserve Bank of India released in April 2009 placed real GDP growth for the fiscal 2009 at approximately 7.1% as compared to 9.0% in fiscal year 2008 following the downturn precipitated by the global financial crisis. Any slowdown in the Indian economy or in the growth of industries will effect the capital markets of the country. This in turn could adversely affect our business and financial performance and the price of the Equity Shares.

3. Terrorist attacks and other acts of violence or war involving India, and other countries could adversely affect the financial markets, result in a loss of business confidence and adversely affect the business, results of operations and financial condition.

Terrorist attacks, such as the ones that occurred in New York and Washington D.C. on September 11, 2001, New Delhi on October 29, 2005, Gandhi Nagar in Gujarat on September 24, 2002, and Mumbai on August 26, 2008, and other acts of violence or war may negatively affect the Indian stock markets and also adversely affect the global financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect the business, results of operations and financial condition.

Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel and transportation more difficult. Such political tensions could create a greater perception that investments in Indian companies involve a higher degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares of the Company and on the market for its offerings.

4. Political Turmoil

Political Turmoil is an inherent risk faced by all the operating businesses. Any significant change in the Government policies or any political instability that adversely affects the business and economic conditions in India could also adversely affect the business, future financial performance and the price of the Company's Equity shares.

5. Sensitivity to the economy and extraneous factors

The Company's performance is highly correlated to the performance of the economy and the financial markets. The health of the economy and the financial markets in turn depends on the domestic economic growth, state of the global economy and business and consumer confidence, among other factors. Any event disturbing the dynamic balance of these diverse factors would directly or indirectly affect the performance of the Company.

6. After this listing, the prices of the Company's equity shares may be volatile, or an active trading market for the Company's equity shares may not develop.

There has been no public market for the Company's equity shares till now and the prices of the Company's equity shares may fluctuate after this listing. There can be no assurance that an active trading market for the equity shares will develop or be sustained after this listing. The Company's share price could be volatile.

7. Any trading closure at the NSE and the BSE may adversely affect the trading price of our Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The NSE and the BSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the NSE and the BSE could adversely affect the trading price of the Equity Shares.

8. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business.

9. Foreign investors are subject to foreign investment restrictions under Indian law.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from sale of shares in India into foreign currency and repatriate that foreign currency from India will require no objection or tax clearance certificate from the income tax authority. We cannot assure you that any required approval from RBI or any other Government agency can be obtained on any particular terms or at all.

III. SUMMARY

GENERAL INFORMATION

Our Company is a Public Limited Company incorporated as Dhunseri Marketing Limited in Kolkata on February 4, 1997 under the Companies Act, 1956. Our Company changed its name from Dhunseri Marketing Limited to DI Marketing Limited pursuant to a fresh certificate dated January 3, 2000 issued by the Registrar of Companies, West Bengal. Subsequently the name changed to Dhunseri Investments Limited pursuant to a fresh certificate of incorporation dated July 16, 2010.

Registered & Corporate Office:

Dhunseri Investments Limited

Dhunseri House, 4A, Woodburn Park, Kolkata- 700 020

TEL: +91-33-22801950 (5 lines)

Fax: +91-22-22878350/8995

E-mail: dhunseri@vsnl.com

Website: www.dhunseriinvestments.com

Corporate Identification Number: U15491WB1997PLC082808

Address of the Registrar of Companies:

Nizam Palace, II MSO Building, 3rd Floor,

234/4 A.J.C. Bose Road,

Kolkata-700020

Authority of Listing

The Hon'ble High Court at Calcutta, vide its order dated May 6, 2010 has approved the Scheme of Arrangement inter-alia providing for the demerger of the demerged undertaking of Dhunseri Tea & Industries Limited (now known as Dhunseri Petrochem & Tea Limited) (hereinafter referred to as "DPTL") to Dhunseri Investments Limited (formerly known as D I Marketing Limited) (hereinafter referred to as "DIL"), and the amalgamation of South Asian Petrochem Limited (hereinafter referred to as "SAPL") and Dhunseri Polycarbonate Limited (hereinafter referred to as "DPL") with DPTL. For more details relating to the scheme of arrangement please refer to the Section titled "**Salient Features of the Scheme**". In accordance with the Scheme for demerger, the Jaipur Packet Factory and the Investment Division of the DPTL stands transferred to and vested with DIL, w.e.f. April 1, 2009 (the appointed date under the Scheme) pursuant to Section 391 to 394 of the Companies Act, 1956. In accordance with the said scheme, the Equity shares of the Company to be issued pursuant to the Scheme shall be listed and admitted to trading on Bombay Stock Exchange Limited (BSE), and the National Stock Exchange of India Limited (NSE). Such listing and admission for trading is not automatic and will be subject to fulfilment by the Company of listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by the Company seeking listing. The Company has received in principle approvals from BSE and NSE in relation to listing of equity shares issued pursuant to the scheme of arrangement vide their letters ref no DCS/AMAL/SI/IP/785/2010-11 dated November 16, 2010 and NSE/LIST/154303-W dated December 22, 2010 respectively. The Company has received exemption from the strict enforcement of the requirement of Rule 19(2)(b) (i) of the SCRR for the purpose of listing of shares of the Company from SEBI vide its letter dated CFD/DIL/SP/RN/ 2985/2011 dated January 31, 2011.

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations 2009 do not become applicable. However, SEBI has vide its Circular No. SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009, requires DIL to seek and obtain approval under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 for relaxing strict enforcement of clause (b) to sub-rule (2) of rule 19 thereof. The Company has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to

Dhunseri Investments Limited-Information Memorandum

BSE and NSE for making the said Information Memorandum available to public through their websites viz. www.bseindia.com and www.nseindia.com. The Company has made the said information memorandum available on its website viz www.dhunseriinvestments.com The Company will also publish an advertisement in the news papers containing all details in line with the requirements as per the above mentioned circular. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

Prohibition by SEBI

The Company, its Directors, its promoters, other Companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

General Disclaimer from the Company

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI Circular SEBI/CFD/SCRR/01/2009/03/09 dated September 3, 2009 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Auditors

Dhandhanian & Associates

Chartered Accountants
13, Crooked Lane, Kolkata-700 069
Fax: +91-33-22481860
E-mail: merril@vsnl.net

Bankers to the Company

State Bank of India

La-Martinere Branch,
A.J.C, Bose Road,
Kolkata-700017

HDFC Bank Limited

Central Plaza,
Sarat Bose Road,
Kolkata-700 020

Compliance Officer

Mr. R. Mahadevan

'Dhunseri House', 4A, Woodburn Park, Kolkata- 700 020
TEL: +91-33-22801950 (5 lines)
Fax: +91-22-22878350/8995
E-mail: rm@dhunseritea.com

Registrar & Transfer Agents

Maheshwari Datamatics Private Limited

6, Mangoe Lane, 2nd Floor, Kolkata – 700 001,
Phone No: (033) 2243-5809/5029, Fax: (033) 2248-4787, E-mail: mdpl@cal.vsnl.net.in
Website: www.mdpl.in

INDUSTRY OVERVIEW

The information in this section is derived from various publicly available sources, government publications and other industry sources. This information has not been independently verified by us, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

INDUSTRY OVERVIEW

India is the 7th largest and 2nd most populous country in the world; India has long been considered a country of unrealized potential. A new spirit of economic freedom is now stirring in the country, bringing sweeping changes in its wake. A series of ambitious economic reforms aimed at deregulating the country and stimulating foreign investment has moved India firmly into the front ranks of the rapidly growing Asia Pacific region and unleashed the latent strengths of a complex and rapidly changing nation.

Asian equity markets are sizable and fast growing. Since 1990, Asia's capitalization has more than doubled in U.S. dollar terms to \$13.7 trillion, 30% of the world capitalization. Excluding Japan and Australia, it has risen almost tenfold. The financial hubs of Hong Kong, Singapore and Japan dominate the region, accounting for two-thirds of Asian equity assets. Markets in some other countries, such as India, Malaysia, and Taiwan Province of China, are also sizeable.

The growth in Asian markets has been accompanied by improved liquidity and breadth. Since 1990 market liquidity (share turnover) has more than doubled in relation to GDP, while turnover velocity (share turnover/market capitalization) rose almost fourfold. Market breadth (the percentage of market capitalization and turnover accounted for by the ten largest companies – a higher figure implies greater concentration) is now greater in Asia than in other emerging markets, although less than in industrial countries.

(Source: IMF Working papers Asian Equity Markets)

The fiscal 2008-09 has been a difficult year for the global economy and for India in its efforts to sustain the new found growth momentum of its economy. In the second half of the year, a crisis of unprecedented magnitude hit the financial markets in the industrialized economies, eventually pushing them into a recession. Most emerging market slowed down significantly and India has also been affected. (Source: Annual Report 2008-09, Ministry of Finance, Government of India). The economy is on the path of recovery in 2009-10. As per the information (Advance Estimates) of National Income for 2009-10 (at constant 2004-2005 prices), released by the Central Statistical Organization the growth of Gross Domestic Product ("GDP") at factor cost is estimated at 7.2 percent in 2009-10. (Source: Annual Report 2009-10, Ministry of Finance, Government of India)

During 2009-10(April-December), as per the data on Index of Industrial Production (IIP), the industrial sector grew at 8.6 per cent compared to 3.6 per cent during the previous year. The sectors contributing to this performance the manufacturing sector, mining and electricity sectors grew at a rate of 9.0, 8.5 and 5.8 per cent respectively against the corresponding figures of 3.6, 3.2 and 2.7 per cent in the previous year 2008-09.

On account of global financial crisis Sensex touched its bottom in March 2009 compared to when it peaked in January 2008. Due to comprehensive domestic stimulus measures and accompanied by recovery in corporate performance, securities markets have started yielding positive returns. As on December 15, 2009 Sensex closed at 16913, an increase of 8753 points or 107.27% as compared to 8160 as on March 9, 2009 when it touched its lowest. The combined market capitalization of BSE and NSE as on December 15, 2009 is Rs. 11350013 cr. The All- India market capitalization ratio increased to 109.26 % in 2007-08 from 86.02 % in 2006-07. Currently the market capitalisation is 9.16 times the GDP at current prices. (Source: Annual Report 2009-10, Ministry of Finance, Government of India)

The Indian stock Exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements.

SEBI's efforts at maintaining market integrity are rooted in sound principles. Market surveillance is entrusted to stock exchanges and stock watch systems are used to detect unusual price movements. In addition, the regulator, in co-ordination with stock exchanges, has instituted a range of risk mitigation measures including margining, price bands and inspections of intermediaries.

To summarize, Indian equity and exchange-traded derivatives markets are closer to international best practices as compared to debt markets.

BUSINESS OVERVIEW

Our Company is a Public Limited Company incorporated as Dhunseri Marketing Limited in Kolkata on February 4, 1997 under the Companies Act, 1956. Our Company changed its name from Dhunseri Marketing Limited to DI Marketing Limited pursuant to a fresh certificate of incorporation dated January 3, 2000 issued by the Registrar of Companies, West Bengal. Subsequently the name changed to Dhunseri Investments Limited pursuant to a fresh certificate of incorporation dated July 16, 2010.

Pursuant to a scheme of arrangement sanctioned by the Hon'ble High Court at Calcutta, vide its order dated May 6, 2010 the Jaipur Packet Factory and Investment Division of DTIL has been transferred to the company

Dhunseri Investments Limited is an Investment Company holding a varied investment portfolio consisting of both listed and unlisted securities. Our company has made an application to the Reserve Bank of India seeking registration as NBFC from RBI.

Investments

In consequence of the Scheme having become effective, DIL is holding equity shares as on March 31, 2010 in the various companies, as per the details depicted in the table given below:

| Name of the Company | Face Value | No. of Shares |
|---|-------------------------|----------------------|
| Quoted | | |
| Dhampur Sugar Mills Limited | 10/- each fully paid up | 2,84,794 |
| Electrosteel Casting Limited | 1/- each fully paid up | 8,87,500 |
| Escorts Limited | 10/- each fully paid up | 1,10,000 |
| Fortis Healthcare Limited | 10/- each fully paid up | 1,05,200 |
| Gujart Fluoro Chemicals Limited | 1/- each fully paid up | 1,50,000 |
| ITC Limited | 1/- each fully paid up | 28,500 |
| Jaiprakash Associates Limited | 2/- each fully paid up | 89,700 |
| Jindal Steel & Power Limited ** | 1/- each fully paid up | 26,000 |
| Jindal Saw Limited | 2/- each fully paid up | 2,00,000 |
| Larsen & Toubro Limited | 2/- each fully paid up | 12,000 |
| Maruti Suzuki India Limited | 5/- each fully paid up | 13,000 |
| Nectar Life Science Limited | 1/- each fully paid up | 1,50,000 |
| Srei Infrastrucutre Finance Limited | 10/- each fully paid up | 70,000 |
| South Asian Petrochem Ltd *** | 10/- each fully paid up | 11,70,67,020 |
| Spicejet Limited | 10/- each fully paid up | 3,48,000 |
| Shree Renuka Sugar Limited | 1/- each fully paid up | 47,000 |
| State Bank of Bikanar & Jaipur | 10/- each fully paid up | 7,340 |
| State Bank of Travancore | 10/- each fully paid up | 6,900 |
| Sun Pharma Advance Research Company Limited | 10/- each fully paid up | 1,70,000 |
| Torrent Power Limited | 10/- each fully paid up | 1,50,000 |
| West Coast Paper Mills Limited | 2/- each fully paid up | 87,720 |

** Bonus Shares

***Since merged with Dhunseri Petrochem & Tea Limited (DPTL) and received one share of DPTL for every ten shares of South Asian Petrochem Limited

| Unquoted | | |
|---|----------------------------|---------|
| Assam Bengal Cereals Ltd | 10/- each fully paid up | 2,630 |
| Assam Hospital Limited | 10/- each fully paid up | 50,000 |
| Assam Financial Corporation Ltd | 100/- each fully paid up | 100 |
| Assam Co-Operative Apex Bank Ltd | 50/- each fully paid up | 300 |
| East India Planters Co-Operative Ltd | 50/- each fully paid up | 124 |
| Madhuting Tea Private Limited | 1,000/- each fully paid up | 5,000 |
| Tectura Corporation | Common Stock | 179,265 |
| HDFC Cash Management Fund Treasury Advantage Plan- Retail | - | 85,191 |


MAIN OBJECTS OF THE COMPANY

Change in memorandum due to scheme of arrangement pursuant to Section 17(1) of the Companies Act, 1956 and other applicable provisions of the Act, if any, clauses 1 & 2 to the Objects Clause III (A) of the Memorandum of Association of the Company was inserted namely;

1. To carry on the business of an investment company and for that purpose to invest in, acquire, sell, transfer, subscribe for, hold and otherwise deal in and invest in any shares, bonds, stocks, obligations issued or guaranteed by any company constituted and carrying on business in India or elsewhere and debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any Government State, Sovereign, Commissioners Central or Provincial, public body or authority supreme, municipal, local or otherwise in India or elsewhere either out of its own funds or out of funds that it might borrow.
2. To carry on the business of processing, converting, manufacturing, formulating, using, buying, selling, acquiring, storing, packing, dealing, transporting, distributing, importing, exporting and disposing including trading, marketing and packeting of all kinds of goods, merchandise, articles and services including that of tea.

OUR PROMOTERS AND THE MANAGEMENT OF THE COMPANY

Promoter

| | |
|---|--|
| <p>Mr. Chandra Kumar Dhanuka</p>  | <p>Mr. C.K. Dhanuka heads group of companies having diversified interests in tea, petro-chemicals and several investment companies. He has over 34 years of experience in industry. He is the Ex-Chairman of FICCI (Eastern Regional Council) and is also a Member of National Committee of FICCI. He was the Ex-Chairman of the Indian Tea Association and Ex-Vice-Chairman of Tea Board. He was also the Ex President of All India Organization of Employers.</p> <p>Mr. C.K. Dhanuka is the Executive Chairman of the flagship company Dhunseri Petrochem & Tea Limited (formerly Dhunseri Tea & Industries Ltd.) and is also the Chairman, Managing Director & CEO of Dhunseri Investments Limited.</p> <p>Mr. C. K. Dhanuka is a Commerce graduate from St. Xavier's College, Kolkata and had his initial training in tea blending, tasting and grading before he was inducted in the Board of the flagship company in 1973.</p> <p>Passport No: G4835698 Voter ID :WB/23/146/081177</p> |
|---|--|

Directors of the Company

| Name of the Director | Address | Designation | Date of Appointment | Directorship in other Companies |
|-----------------------------|---|-------------------------------|----------------------------|--|
| Mr. Chandra Kumar Dhanuka | 14B, Dr. U. N. Brahmachari Street, Kolkata-700017 | Managing Director & CEO | 27.11.2009 | <ol style="list-style-type: none"> 1. Dhunseri Petrochem & Tea Ltd. 2. Mint Investments Ltd. 3. Naga Dhunseri Group Ltd. 4. Plenty Valley Intra Limited 5. Madhuting Tea Pvt. Ltd. 6. Trimplex Investments Pvt. Ltd. 7. Jatayu Estates Pvt. Ltd. 8. Belvedere Properties Pvt. Ltd. 9. ABC Tea Workers Welfare Services 10. Egyptian Indian Polyester Co. SAE |
| Mrs. Aruna Dhanuka | 14B, Dr. U. N. Brahmachari Street, Kolkata-700017 | Non-Executive Non Independent | 24.01.2001 | <ol style="list-style-type: none"> 1. Naga Dhunseri Group Ltd. 2. Mint Investments Ltd. 3. Plenty Valley Intra Ltd. 4. Lyons & Roses Pvt. Ltd 5. Madhuting Tea Pvt. |

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| | | | | |
|-----------------------------|---|-------------------------------|------------|---|
| | | | | <p>Ltd. 6. Trimplex Investments Pvt.Ltd. 7. Belvedere Properties Pvt . Ltd.</p> |
| Mr. Mrigank Dhanuka | 14B, Dr. U. N. Brahmachari Street, Kolkata-700017 | Non-Executive Non Independent | 27.11.2009 | <p>1. Dhunseri Petrochem & Tea Ltd. . 2. Mint Investments Ltd. 3. Naga Dhunseri Group Ltd. 4. Madhuting Tea Pvt. Ltd. 5. Trimplex Investments Pvt. Ltd. 6. Jatayu Estates Pvt. Ltd. 7. Belvedere Properties Pvt. Ltd. 8. Egyptian India Polyester Co. SAE</p> |
| Mr. Brijesh Kumar Biyani | MANIKARN, Flat No.10-WA,3B, Ram Mohan Mullick Garden Lane, Kolkata-700010 | Non-Executive Non Independent | 27.11.2009 | <p>1. Dhunseri Petrochem & Tea Limited 2. Ma Foi Consulting Solutions Ltd. 3. Rice Lake Weighing Systems India Ltd. 4. Madhuting Tea Pvt. Ltd. 5. Egyptian Indian Polyester Co. SAE</p> |
| Mr. Basudeo Beriwal | 167, Chittaranjan Avenue, Kolkata-700007 | Non-Executive Independent | 11.08.2010 | <p>1. Kaniska Engg. Industries Ltd. 2. Rainbow Engg. Ltd. 3. Bee Aar Enterprises Ltd.</p> |
| Mr. Purushottam Lal Agarwal | UDAYACHAL, 9, Sarojini Naidu Sarani, Kolkata-700017 | Non-Executive Independent | 11.08.2010 | <p>1. Albert David Ltd. 2. Dharampal Premchand Ltd. 3. DIC India Ltd. 4. Karamchand Thapar & Bros. (Coal Sales) Ltd 5. Rossell Tea Ltd. 6. The Oadlabari Co. Ltd. 7. Hiland Projects Ltd. 8. Cookson India Pvt. Ltd. 9. Agre Developers Ltd.</p> |
| Mr. Ashok Kumar Lohia | 4, Alipore Road, Kolkata-700027 | Non-Executive Independent | 11.08.2010 | <p>1. Maud Tea & Seed Co. Ltd. 2. Bio Tea Estates Ltd. 3. East India Commercial Co. Ltd. 4. Nagri Farm Tea</p> |

| | | | | |
|-------------------|------------------------------------|---------------------------|--------------|--|
| | | | | Co.Ltd. 5. Senairam (India) Pvt. Ltd. 6. Sycotta Tea Company Pvt. Ltd. 7. S.D.Enterprises Pvt.Ltd. 8. Chamong Tea Exports . Ltd 9. B.D.Tea Estates Pvt. Ltd. 10.Chamong Chiabadi Resorts Pvt. Ltd |
| Mr. Arun Bhutoria | 10,Pretoria Street, Kolkata-700071 | Non-Executive Independent | 14 .11 .2010 | 1. A.K.Construction Co. Pvt. Ltd. 2. Akla Builders Pvt. Ltd. 3. A.K.Foundation Pvt. Ltd 4. A.K.Computech Pvt. Ltd. 5. Alug Builders Pvt. Ltd 6. Amazing Builders Pvt. Ltd 7. Circular Construction Pvt. Ltd 8. Downtown Country Club Pvt. Ltd 9. Evergreen Entertainment Ltd 11. Samcon Resort & Hotel Pvt. Ltd 12. Sunshine Developers Pvt. Ltd 13. Swadeshi Apartments Pvt. Ltd |

Brief Profile of Directors:

Mr. Mrigank Dhanuka

Mr. Mrigank Dhanuka is a non executive director of the company. He is also the Vice Chairman & Executive Director of Dhunseri Petrochem & Tea Limited, the flagship Company of the group DPTL. He is also on the Board of other associate companies of the group. He is a B.Com (Hons) graduate from Calcutta University. He has also undergone a three year course on Industrial & Operations Engineering from University of Michigan, USA. He had his initial training with the group companies and has gathered considerable experience in all areas of business particularly in Tea and Petrochemicals.

Mr. Brijesh Kumar Biyani

Mr. Brijesh Kumar Biyani is a graduate in Chemical Engineering from IIT (Kharagpur) and also holds a Post Graduate Diploma in Industrial Engineering from National Productivity Council, Chennai. He was with National Productivity Council from 1977 to 1980; S.B.Billimoria & Co. from 1980 to 1985 and with BOC (India) Ltd. from 1985 to 1990. From 1990 till 2003 he was with Usha Martin Group and held various positions in the Group.

Mrs. Aruna Dhanuka

Mrs. Aruna Dhanuka is the non executive director of the company since 24th January 2001. She is also the Managing Director of Mint Investments Limited and Plenty Valley Intra Limited. She is also on the Board of other associate companies of the group. She is an Arts graduate. She is associated with the business activities of the group for about a decade specially in connection with the investments of the group. She has gathered considerable experience with regard to the investment business and is considered an expert in this field.

Mr. Basudeo Beriwal

Mr. B.D.Beriwal is associated with the Group for over 30 years. He was a Director of Dhunseri Tea & Industries Limited now known as Dhunseri Petrochem & Tea Limited. He has been associated with the Tea Industry for the past 40 years.

Mr. Purushottam Lal Agarwal

Mr. Purushottam Lal Agarwal is the non executive independent director of the Company. He is associated with the group for over three decades. He is an eminent lawyer. He is a Bachelor of Commerce as well as a Bachelor of Law and also an Attorney-at-Law. He is having experience of more than four decades in the field of law and his areas of expertise includes Commercial, Corporate Law, Real Estate & Intellectual Property. He is a partner of M/s. Khaitan & Co., Kolkata, Mumbai, New Delhi and Bangalore and also of Khaitan & Co.AOR, New Delhi.

Mr. Ashok Kumar Lohia

Mr. A.K.Lohia is a commerce graduate and represents the fifth generation of his family's tea business and is associated with the Tea industry for over 30 years. Mr. Lohia graduated in Commerce from St. Xavier's College, Calcutta. He has gathered considerable experience in the plantation of tea and also in the field of manufacture, blending, grading and tasting of tea. He is considered as an expert with regard to tea.

Mr. Arun Bhutoria

Mr. Arun Bhutoria is a B.Com graduate. He is involved in the business of real estates, infrastructure and hospitality business. He is also on the Board of several of his companies. He has considerable business experience with regard to construction and development of real estates being associated with such activities since long.

Corporate Governance

The Company is in full compliance with Clause 49 of the Listing Agreement with the stock exchanges:

The Company believes in good Corporate Governance and emphasizes on transparency, accountability and integrity in all its dealings without compromising on any of its obligations. It seeks to focus on regulatory compliances, fair play, justice and aims at enhancement of long-term shareholder value. The Company endeavours to improve on these aspects on an ongoing basis.

Details of the Board and its committees are as follows:

Board of Directors (BOARD)

Composition of Board

The Board was reconstituted which now comprises of four Non-Executive Independent Directors, one Non-Executive/Non-Independent Director, two Non-Executive Directors related to promoter and a Promoter Director, who is the Managing Director of the Company as well as Chairman of the Board. The number of Non-Executive Independent Directors is now half the total strength of the Board.

The composition of the Board:

| | | |
|-----------------------------|---|--------------------------------------|
| Mr. Chandra Kumar Dhanuka | Chairman & Managing Director/ Promoter | Not Liable to retirement by rotation |
| Mrs. Aruna Dhanuka | Non-Executive /Promoter Relative | Liable to retirement by rotation |
| Mr. Mrigank Dhanuka | Non-Executive /Promoter Relative | Liable to retirement by rotation |
| Mr. Brijesh Kumar Biyani | Non-Executive/ Non-Independent | Liable to retirement by rotation |
| Mr. Basudeo Beriwala | Non-Executive Independent | Liable to retirement by rotation |
| Mr. Purushottam Lal Agarwal | Non-Executive Independent | Liable to retirement by rotation |
| Mr. Ashok Kumar Lohia | Non-Executive Independent | Liable to retirement by rotation |
| Mr. Arun Bhutoria | Non-Executive Independent | Liable to retirement by rotation |

Audit Committee

The Audit Committee was reconstituted as per Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The constitution of the Audit Committee is as follows:

| Members of the Audit Committee | Designation |
|---------------------------------------|--------------------|
| Mr. Basudeo Beriwala | Chairman |
| Mrs. Aruna Dhanuka | Member |
| Mr. Arun Bhutoria | Member |
| Mr. Ashok Kumar Lohia | Member |

Powers of Audit Committee

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

A brief description of the role of the Audit Committee as contained under Clause 49 of the Listing Agreement is as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.

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5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Shareholders'/Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee was reconstituted and presently it comprises of the following members:-

| Members of the Shareholders'/Investors' Grievance Committee | Designation |
|--|--------------------|
| Mr. Basudeo Beriwala | Chairman |
| Mr. Chandra Kumar Dhanuka | Member |
| Mr. Purushottam Lal Agarwal | Member |
| Mr. Arun Bhutoria | Member |
| Mr. R. Mahadevan | Compliance Officer |

The Committee deals with all matters relating to shareholders'/ investors' grievance viz. transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.

Share Transfer Committee

The Share Transfer Committee comprises of the following Member/Director of the Company:

| Members of the Share Transfer Committe | Category |
|---|-----------------|
| Mr. Chandra Kumar Dhanuka | Chairman |
| Mr. Mrigank Dhanuka | Member |
| Mr. Brijesh Kumar Biyani | Member |

The said committee is authorized to deal with as well as accord its approval to all share-related matters.

CAPITAL STRUCTURE

Share Capital Pre-Scheme of Arrangement:

| | (Rs. in Lacs) |
|---|----------------------|
| | Amount |
| Authorised | 20.00 |
| 200,000 Equity Shares of Rs.10/- each | |
| Issued & Subscribed | |
| 50,000 Equity Shares of Rs.10/- each fully paid-up | 5.00 |
| Paid-up | |
| 50,000 Equity Shares of Rs. 10/- each fully paid-up | 5.00 |

Share Capital Post-Scheme of Arrangement:

| | (Rs. in Lacs) |
|--|----------------------|
| | Amount |
| Authorised | 590.54 |
| 5,905,448 Equity Shares of Rs.10/- each | |
| Issued & Subscribed | |
| 5,855,448 Equity Shares of Rs.10/- each fully paid- up | 585.54 |
| Paid-up | |
| 5,855,448 Equity Shares of Rs.10/- each fully paid-up | 585.54 |

Equity Build up of the Company

| Date of Allotment | No. of Shares | Cumulative No. of Shares | Face Value (Rs.) | Issue Price (Rs.) | Cumulative Paid-up Capital (Rs.) | Nature of Allotment/ Remarks | Consideration |
|-------------------|---------------|--------------------------|------------------|-------------------|----------------------------------|--|-----------------|
| 04.02.97 | 700 | 700 | 10 | 10 | 7000 | On Incorporation | cash |
| 12.12.2002 | 49,300 | 50,000 | 10 | 10 | 5,00,000 * | Rights | cash |
| 21.07.2010 | (50000) | (50,000) | 10 | 10 | (5,00,000) | Cancelled as per scheme of arrangement | |
| 21.07.2010 | 58,55,448 | 58,55,448 | 10 | nil | 5,85,54,480 | As per Scheme | Other than cash |

Shareholding pattern of the Company before and after the Scheme of Arrangement :

Shareholding pattern before the scheme:

*The entire equity capital consisting of 50,000 equity shares was held by Dhunseri Tea & Industries Limited the flagship company of the Dhunseri Group.

Shareholding pattern after the scheme:

| | Category of shareholder | No. of shareholders | Total no. of shares | No. of shares held in dematerialized form | Total shareholding as a % of total number of shares | | Shares Pledged or otherwise encumbered | |
|------------|--|---------------------|---------------------|---|---|-------------------|--|----------------------------|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | No. of Shares | As a % |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) = (VIII) / (IV) * 100 |
| (A) | Promoter and Promoter Group¹ | | | | | | | |
| (1) | Indian | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 19 | 453,670 | 3,105 | 7.75 | 7.75 | NIL | NIL |
| (b) | Central Govt/ State Govt(s) | | | | | | | |
| (c) | Bodies Corporate | 11 | 2,040,387 | 362,154 | 34.85 | 34.85 | NIL | NIL |
| (d) | Financial Institutions/ Banks | | | | | | | |
| (e) | Any Other (specify) | | | | | | | |
| | Sub-Total (A)(1) | 30 | 2,494,057 | 365,259 | 42.60 | 42.60 | NIL | NIL |
| (2) | Foreign | | | | | | | |
| (a) | Individuals (Non-Resident Individuals/ Foreign Individuals) | | | | | | | |
| (b) | Bodies Corporate | 1 | 1,897,527 | | 32.40 | 32.40 | NIL | NIL |
| (c) | Institutions | | | | | | | |
| (d) | Any Other (specify) | | | | | | | |
| | Sub-Total (A)(2) | 1 | 1,897,527 | | 32.40 | 32.40 | NIL | NIL |
| | Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2) | 31 | 4,391,584 | 365,259 | 75.00 | 75.00 | NIL | NIL |
| (B) | Public shareholding² | | | | | | | |
| (1) | Institutions | | | | | | | |
| (a) | Mutual Funds/UTI | 4 | 3,150 | 3,150 | 0.05 | 0.05 | NIL | NIL |
| (b) | Financial Institutions/ Banks | 16 | 3,074 | 1,984 | 0.05 | 0.05 | NIL | NIL |
| (c) | Central Government/ State Government(s) | 1 | 87 | | | | | |
| (d) | Venture Capital Funds | | | | | | | |
| (e) | Insurance Companies | | | | | | | |
| (f) | Foreign Institutional Investors | | | | | | | |

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| | Category of shareholder | No. of shareholders | Total no. of shares | No. of shares held in dematerialized form | Total shareholding as a % of total number of shares | | Shares Pledged or otherwise encumbered | |
|------------|--|---------------------|---------------------|---|---|-------------------|--|--------|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | No. of Shares | As a % |
| (g) | Foreign Venture Capital Investors | | | | | | | |
| (h) | Any Other (specify) | | | | | | | |
| | Sub-Total (B)(1) | 21 | 6,311 | 5,134 | 0.10 | 0.10 | NIL | NIL |
| (2) | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | 285 | 747,046 | 740,798 | 12.76 | 12.76 | NIL | NIL |
| (b) | Individuals - | | | | | | | |
| | i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. | 8030 | 670,358 | 430,323 | 11.45 | 11.45 | NIL | NIL |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 2 | 24,500 | 24,500 | 0.42 | 0.42 | NIL | NIL |
| (c) | Any Other (specify)(Foreign National, Trusts, Custodian of Enemy Property & Non Resident Indian) | | | | | | | |
| | | 51 | 15,649 | 9,672 | 0.27 | 0.27 | NIL | NIL |
| | Sub-Total (B)(2) | 8368 | 1,457,553 | 1,205,293 | 24.90 | 24.90 | NIL | NIL |
| | Total Public Shareholding (B) = (B)(1)+(B)(2) | 8389 | 1,463,864 | 1,210,427 | 25.00 | 25.00 | NIL | NIL |
| | TOTAL (A)+(B) | 8420 | 5,855,448 | 1,575,686 | 100.00 | 100.00 | NIL | NIL |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | |
| | GRAND TOTAL (A)+(B)+(C) | 8420 | 5,855,448 | 1,575,686 | 100.00 | 100.00 | NIL | NIL |

Details of shareholding of Promoter and Promoter Group Companies

| Sl. No. | Name of Shareholder(s) | No. of Shares | % |
|---------|---|---------------|------|
| 1. | Aruna Dhanuka | 40,000 | 0.68 |
| 2. | Aruna Dhanuka | 4,780 | 0.08 |
| 3. | Aruna Dhanuka | 1,250 | 0.02 |
| 4. | Aruna Dhanuka | 200 | 0.00 |
| 5. | Aruna Dhanuka | 20 | 0.00 |
| 6. | Chandra Kumar Dhanuka, Trustee, Mrigank Dhanuka Trust | 70,000 | 1.20 |
| 7. | Chandra Kumar Dhanuka | 24,925 | 0.43 |
| 8. | Chandra Kumar Dhanuka, Trustee, Shree Shaligram Trust | 23,500 | 0.40 |
| 9. | Chandra Kumar Dhanuka | 2,750 | 0.05 |
| 10. | Chandra Kumar Dhanuka | 1,176 | 0.02 |
| 11. | Chandra Kumar Dhanuka jointly with Aruna Dhanuka | 572 | 0.01 |
| 12. | Chandra Kumar Dhanuka jointly with Aruna Dhanuka | 467 | 0.01 |
| 13. | Chandra Kumar Dhanuka | 75 | 0.00 |

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| | | | |
|-----|---|------------------|---------------|
| 14. | Chandra Kumar Dhanuka (Karta) | 200,000 | 3.42 |
| 15. | Lyons & Roses Private Limited | 45,500 | 0.78 |
| 16. | Mayfair India Limited (since amalgamated with Mint Investments limited) | 1,296 | 0.02 |
| 17. | Mint Investments Limited | 236,232 | 4.04 |
| 18. | Mint Investments Limited | 277,363 | 4.75 |
| 19. | Mint Investments Limited | 250 | 0.00 |
| 20. | Mint Investments Limited | 30,000 | 0.51 |
| 21. | Mrigank Dhanuka | 47,500 | 0.81 |
| 22. | Mrigank Dhanuka | 17,817 | 0.30 |
| 23. | Mrigank Dhanuka | 2,638 | 0.05 |
| 24. | Naga Dhunseri Group Limited | 1,000,001 | 17.08 |
| 25. | Naga Dhunseri Group Limited | 35,225 | 0.60 |
| 26. | Naga Dhunseri Group Limited | 31,250 | 0.53 |
| 27. | Plenty Valley Intra Limited | 335,000 | 5.72 |
| 28. | Plenty Valley Intra Limited | 48,270 | 0.82 |
| 29. | Tarulika Khaitan | 10,000 | 0.17 |
| 30. | Tarulika Khaitan | 6,000 | 0.10 |
| 31. | Yves Lombard Asset Management A G | 1,897,527 | 32.40 |
| | TOTAL | 4,391,584 | 75.00% |

Statement showing Shareholding of persons belonging to the category 'Public' and holding more than 1%

| Sl. No. | Name of Shareholder(s) | No. of Shares | % |
|---------|----------------------------------|----------------|--------------|
| 1. | Kashipur Holdings Limited | 162,500 | 2.77 |
| 2. | Universal Industrial Fund Ltd | 138,500 | 2.37 |
| 3. | JVL Agro Industries Limited | 130,500 | 2.23 |
| 4. | Greenply Leasing and Finance Ltd | 106,490 | 1.82 |
| | TOTAL | 537,990 | 9.19% |

Statement showing details of locked-in shares

| Sl. No. | Name of Shareholder(s) | No. of Shares | % |
|---------|--|----------------|----------------|
| 1. | Mrigank Dhanuka | 17,817 | 0.30 |
| 2. | Chandra Kumar Dhanuka | 2,750 | 0.05 |
| 3. | Mrigank Dhanuka | 2,638 | 0.05 |
| 4. | Aruna Dhanuka | 1,250 | 0.02 |
| 5. | Chandra Kumar Dhanuka jointly with Aruna Dhanuka | 572 | 0.01 |
| 6. | Chandra Kumar Dhanuka jointly with Aruna Dhanuka | 467 | 0.01 |
| 7. | Naga Dhunseri Group Limited | 474,400 | 8.10 |
| 8. | Naga Dhunseri Group Limited | 31,250 | 0.53 |
| 9. | Mint Investments Limited | 30,000 | 0.51 |
| 10. | Mint Investments Limited | 30,000 | 0.51 |
| 11. | Mayfair India Limited (since amalgamated with Mint Investments Ltd.) | 1,296 | 0.02 |
| | TOTAL | 592,440 | 10.11 % |

TOP 10 SHAREHOLDERS OF THE COMPANY:

| Sl. No. | Name of Shareholder(s) | No. of Shares | % |
|----------------|--|----------------------|----------|
| 1. | Yves Lombard Asset Management A G | 1,897,527 | 32.40 |
| 2. | Naga Dhunseri Group Limited | 1,066,476 | 18.21 |
| 3. | Mint Investments Limited | 545,141 | 9.31 |
| 4. | Plenty Valley Intra Limited | 383,270 | 6.54 |
| 5. | Chandra Kumar Dhanuka(Karta) | 200,000 | 3.42 |
| 6. | Kashipur Holdings Limited | 162,500 | 2.77 |
| 7. | Universal Industrial Fund Limited | 138,500 | 2.37 |
| 8. | JVL Agro Industries Limited | 130,500 | 2.23 |
| 9. | Greenply Leasing and Finance Limited | 106,490 | 1.82 |
| 10. | Chandra Kumar Dhanuka, Trustee Mrigank Dhanuka Trust | 70,000 | 1.20 |

OBJECTS AND RATIONALE OF THE SCHEME

- a. Dhunseri Petrochem & Tea Limited (DPTL) (formerly known as Dhunseri Tea & Industries Limited) is a well established concern primarily engaged in the business of cultivation, production and sale of tea having eleven tea estates in the State of Assam. DPTL also undertakes packeting of Tea at its factory in Jaipur in the State of Rajasthan and the business of investing in shares and securities of various other bodies corporate. South Asian Petrochem Limited (SAPL) is engaged in the business of manufacture of Bottle Grade PET Resin. Dhunseri Polycarbonate Limited (DPL) is a subsidiary of SAPL and had undertaken a project for setting up a 100% Export Oriented Unit for manufacture of polycarbonate. Dhunseri Investments Limited (DIL) (formerly known as D I Marketing Limited) is also a subsidiary of DPTL and was formed with the object of undertaking the business of marketing of tea. The present levels of operations of DIL are not significant. The said companies are all part of the same group of companies.
- b. In furtherance of a restructuring initiative of the said companies and for the optimum running, growth and development of their respective businesses, it is considered to reorganize and reconstruct the said Companies by (i) demerging the Jaipur Packet Factory and Investment Division (Demerged Undertaking) of DPTL to DIL and (ii) amalgamating SAPL and DPL with DPTL in the manner and on the terms and conditions stated in the said Scheme of Arrangement.
- c. The Scheme will enable suitable segregation of the tea packet factory and investment activities of DPTL from the core manufacturing activities and interests of DPTL followed by appropriate consolidation of such core manufacturing activities and interests of DPTL with the manufacturing activities and interests of SAPL, including undertaking of DPL, in DPTL.
- d. On the one hand the demerger and segregation of the tea packeting factory and investment activities of DPTL will enable such business and activities to be pursued and carried on through DIL with greater focus and attention. The same will facilitate the business considerations and factors applicable to the said activities to be addressed more conveniently and advantageously by a separate Company, i.e. DIL, with independent management and administrative set up as also independent evaluation and funding of such activities.
- e. On the other hand the consolidation of the manufacturing activities and interests of DPTL and SAPL, including undertaking of DPL, will enable such activities and interests and resulting business of the amalgamated DPTL to be pursued and carried on more economically and efficiently with pooling and better utilization of the combined resources of the said companies, greater economies of scale and substantial reduction in costs and expenses. The same will also lead to the formation of a larger and stronger entity having a larger capital and asset base and greater capacity for accessing the capital and money markets and otherwise conducting its operations more advantageously.
- f. The Scheme will unlock shareholders value and assist in the potential of the respective business segments being realized more fully. Generally, the business and activities of the respective companies will be carried on more conveniently and advantageously under the Scheme and the same will have beneficial results for the said Companies, their shareholders and all concerned.

SALIENT FEATURES OF THE SCHEME

A. The Salient features of the Scheme of Arrangement in so far as the same relates to demerger of Jaipur Packet Factory and Investment Division (Demerged Undertaking) of DPTL to DIL are inter-alia as follows:

- i. With effect from the Appointed Date i.e 1st April, 2009 the Demerged Undertaking of DPTL, including all properties, assets, rights and powers and all debts, liabilities, duties and obligations of DPTL relating thereto shall be transferred to DIL in the manner and subject to the modalities for transfer and vesting detailed in the scheme. The assets and liabilities of the Demerged Undertaking shall be transferred to DIL at their respective book values.
- ii. The transfer and vesting of the Demerged Undertaking of DPTL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative assets of DPTL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in DIL and no such charges, mortgages and encumbrances shall extend over or apply to any other assets of DIL. Any reference in any security documents or arrangements (to which DPTL is a party) to any assets of DPTL shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other assets of DIL. Similarly, DIL shall not be required to create any additional security over assets of Demerged Undertaking of DPTL acquired by it under the scheme for any loans, debentures, deposits or other financial assistance already availed/ to be availed by it and the charges, mortgages, and/ or encumbrances in respect of such indebtedness of DIL shall not extend or be deemed to extend or apply to the assets so acquired by DIL.
- iii. DIML undertakes to engage all the employees of DTIL engaged in the Demerged Undertaking on the Effective Date on the same terms and conditions on which they are engaged by DTIL without treating it as a break, discontinuance or interruption of service on the said date as a result of the transfer of the Demerged Undertaking to DIML. Accordingly, the services of such employees for the purpose of Provident Fund or Gratuity or other terminal benefits will be reckoned from the date of their respective appointments with DTIL. The accumulated balances, if any, standing to the credit of the employees of the Demerged Undertaking in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by DIML and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by DIML. Pending the transfer as aforesaid, the dues of the employees of the Demerged Undertakings relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.
- iv. All contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to the Demerged Undertaking to which DPTL is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of DIL and may be enforced as fully and effectually as if instead of DPTL, DIL had been a party thereof.
- v. All legal or other proceedings by or against DTIL and relating to the Demerged Undertaking shall be continued and enforced by or against DIML only. If proceedings are taken against DTIL, DTIL will defend on notice or as per advice of DIML at the cost of DIML and DIML will indemnify and keep indemnified DTIL from and against all liabilities, obligations, actions, claims and demands in respect thereof.
- vi. After the Scheme takes effect, DIL shall, in consideration of the demerger and transfer of the Demerged Undertaking, issue and allot to the members of DPTL holding fully paid up Equity Shares in DPTL and whose names appear in the register of members of DPTL on Record date, Equity shares of Rs. 10/- each in DIL, credited as fully paid up with rights attached thereto as hereinafter mentioned in the following entitlement ratio:

1 (One) Equity share of Rs. 10/- each in DIL credited as fully paid up for every 2 (Two) Equity shares of Rs. 10/- each fully paid up held by them in the capital of DPTL.

- vii. No fractional shares shall be issued by DIL in respect of the fractional entitlements, if any, to which the members of DPTL may be entitled on issue and allotment of Equity shares in DIL as above. The Board of Directors of DIL or a committee thereof shall consolidate all such fractional entitlements and issue and allot the Equity shares in lieu thereof to a Director and/ or Officers of DIL on the express understanding that such Director and/or Officers to whom such new Equity shares are allotted shall sell the same in the market and pay to DIL the net proceeds thereof, whereupon DIL shall distribute such net sale proceeds to the members of DPTL in proportion to their fractional entitlements.
- viii. In respect of the shareholding of the members in DPTL held in the dematerialised form, the Equity shares in DIL shall subject to applicable regulations also be issued to them in the dematerialised form with such shares being credited to the existing depository accounts of the members of DPTL entitled thereto, as per records maintained by the National Securities Depository Limited and/ or Central Depository Services (India) Limited on the record date for Demerger shares.
- ix. In respect of the shareholding of the members in DPTL held in certificate form, the equity shares in DIL shall, be issued to such members in certificate form. Members of DPTL desirous of receiving the new shares in DIL in dematerialised form should have their shareholding in DPTL dematerialised on or before the record date for Demerged shares.
- x. Upon the Scheme becoming effective, the authorised share capital of DIL shall be increased to Rs. 59,054,480/- divided into 5,905,448 equity shares of Rs. 10 each.
- xi. The Stock Exchanges have given their "No Objection" to the scheme in terms of their letter dated January 28, 2010. Apart from cancellation of existing equity shares of DIL in terms of the scheme, there shall be no change in the shareholding pattern or control in DIL between the record date for Demerger shares and the listing which may affect the status of the said approval of the stock exchanges to the scheme.
- xii. All existing shares held by DPTL in DIL i.e.50,000 equity shares of RS. 10 each shall stand cancelled, without any further act or deed, upon the new Equity Shares being issued by DIL to the shareholders of DPTL as on the Record Date for Demerger shares in terms of the Scheme and until such cancellation shall continue to be held by DPTL.

B. The said Scheme of Arrangement has come into effect and the terms thereof, including the terms mentioned above, have become operative. The Scheme of Arrangement also provided for amalgamation of South Asian Petrochem Limited and Dhunseri Polycarbonate Limited with DPTL. Since the demerger and transfer of the Demerged Undertaking of DTIL to DIML in terms of the Scheme, including investment of DTIL in shares of SAPL is deemed to have taken place prior to amalgamation of SAPL and DPL with DTIL in terms of the Scheme, the shareholders of SAPL to whom new shares in DTIL have been issued and allotted in consideration of the amalgamation include DIML, being the transferee of the said investment of DTIL.

STATEMENT OF SPECIAL TAX BENEFITS

**To,
The Board of Directors
DHUNSERI INVESTMENTS LIMITED
Dhunseri House
4A, Woodburn Park
Kolkata-700 020**

Dear Sirs,

Statement of Possible Tax Benefits available to Dhunseri Investments Limited and its shareholders

We report that the enclosed statement states the possible tax benefits available to Dhunseri Investments Limited ("the Company") and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957, as amended by Finance Act, 2010. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives, the Company face in future, the Company may or may not choose to fulfill.

The possible tax benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- i) The Company or its share holders will continue to obtain these benefits in future; or
- ii) The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

Sunil Oswal, Partner
Membership No. 071678
For and On behalf of
Dhandhanja & Associates
Chartered Accountants
Firm Registration No. 316952E

Place: Kolkata
Date: 17.09.2010

A. BENEFITS UNDER THE INCOME TAX ACT, 1961

(i) SPECIAL TAX BENEFITS

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders of the Company.

(ii) GENERAL TAX BENEFITS

1. TO THE COMPANY

- a) Under section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O received on the shares of any company is exempt from tax.
- b) Under Section 32 of the IT Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patent, trademark, copyright, know-how, licenses, etc. if acquired after March 31, 1998.
- c) In terms of sub section (2) of 32 of the IT Act, the company is entitled to carry forward and set off the unabsorbed depreciation arising due to absence / insufficiency of profits or gains chargeable for the previous year. The amount is allowed to be carried forward and set off for the succeeding previous years until the amount is exhausted without any time limit.
- d) Under Section 35D of the IT Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure incurred of the nature specified in the said section, by way of amortization over a period of 5 successive years, beginning with the previous year in which the public issue is subscribed, subject to the stipulated limits.
- e) As per provisions of section 72 of the IT Act, the company is entitled to carry forward business losses for a period of 8 consecutive assessment years commencing from the assessment year when the losses were first computed and set off such losses from income chargeable under the head "Profits and gains from business or profession.
- f) Under Section 10(38) of the IT Act, long term capital gain arising to the company from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax. However, as per Finance Act 2006 long term capital gains of a company shall be taken into account in computing tax payable under section 115JB.
- g) Under Section 112 of the IT Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the IT Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Company.
- h) Under section 48 of the IT Act, 1961, if any shares or units of mutual fund specified under clause (23D) of section 10 are sold by the Company after being held for more than twelve months, the gains (in cases not covered under section 10 (38) of the IT Act) if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.

- i) Under Section 54EC of the IT Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain is invested within a period of six months from the date of transfer, subject to maximum limit of Rs. Fifty Lacs during any financial year if the investment is made on or after 1st April 2007, in the bonds redeemable after three years and issued by –
- I) National Highways Authority of India ("NHAI") constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this Section.
 - II) Rural Electrification Corporation Limited ("RECL"), a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this Section; If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if such bonds are transferred or converted into money within three years from the date of their acquisition.
- j) Where the income arising from taxable securities transactions entered into in the course of business and such taxable securities transactions are included in the income computed under the head "Profits and gains from business and profession" the securities transaction tax paid on such transactions will be allowed as deduction from income under the head "Profits and gains of business or profession" under clause (xv) to sub section (1) of section 36 of the IT Act.
- k) Under section 115JAA of IT Act, credit is allowed of the amount of tax paid under section 115JB (1) of IT Act (i.e. Minimum Alternate Tax, MAT) in excess of tax calculated under normal provisions of the IT Act. Such credit can be availed of in subsequent years in which the tax as per normal provisions exceed tax as per MAT provisions (115JB), subject to, maximum being the difference between tax as per normal provisions and tax as per MAT provisions of such year. The unutilized credit shall be allowed to be carried forward till seventh assessment year immediately succeeding the assessment year in which tax credit becomes allowable.
- m) As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.

2. TO THE MEMBERS OF THE COMPANY

2.1 Resident Shareholders

- a) Under Section 10(34) of the IT Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income-tax in the hands of the shareholders.
- b) Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1,500/- per minor child.
- c) Under Section 10(38) of the IT Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and

being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

- d) Under Section 111A of the IT Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax, will be taxable under the Act @ 15% (Plus applicable surcharge and educational cess. However, w.e.f. A.Y 2010-11 surcharges is now applicable only on corporate entities and not on individuals, HUFs etc).
- e) Under Section 112 of the IT Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the IT Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income tax*) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax *) (without indexation), at the option of the Shareholders. *W.e.f. A.Y 2010-11 surcharge is now applicable only on corporate entities and not on individuals, HUFs etc.
- f) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.
- g) As per the provisions of section 54F of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.
- h) Under section 48 of the Income Tax, 1961, if any shares or units of mutual fund specified under clause (23D) of section 10 are sold by the shareholder after being held for more than twelve months, the gains (in cases not covered under section 10 (38) of the IT Act) if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.
- i) Where the Income arising from taxable securities transactions entered into in the course of business and such taxable securities transactions are included in the income computed under the head "Profits and gains from business and profession" the securities transaction tax paid on such transactions will be allowed as deduction from income under the head "Profits and gains of business or profession" under clause (xv) to sub section (1) of section 36 of the IT Act.

2.2 Non Resident Shareholders/ Non- Resident Indian Shareholders (other than Foreign Institutional Investors and Foreign Venture Capital Investors)

- a) By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from a domestic company referred to in Section 115-O of the Act, is exempt from tax in the hands of the recipients.
- b) Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1,500/- per minor child.
- c) Under Section 10(38) of the IT Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of more than twelve

months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

- d) Under the first provision to section 48 of the IT Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.
- e) Under Section 111A of the IT Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the IT Act @ 15% (plus applicable surcharge and educational cess *). * W.e.f. A.Y 2010-11 surcharge is now applicable only on corporate entities (including foreign companies) and not on individuals, HUFs etc.
- f) Under Section 112 of the IT Act , long term capital gains [not covered under Section 10(38) of the IT Act] would be subject to tax at the rate of 20 percent (plus applicable surcharge and education cess *). However, as per the provision to Section 112 (1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on such gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess *). * W.e.f. A.Y 2010-11, surcharge is now applicable only on corporate entities (including foreign companies) and not on individuals, HUFs etc.
- g) Where the income arising from taxable securities transactions entered into in the course of business and such taxable securities transactions are included in the income computed under the head "Profits and gains from business and profession" the securities transaction tax paid on such transactions will be allowed as deduction from income under the head "Profits and gains of business or profession" under clause (xv) to sub section (1) of section 36 of the IT Act.
- h) As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.
- i) As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38))and subject to the condition specified therein arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.
- j) Where shares of the Company have been subscribed in convertible foreign exchange, Non Resident Indians have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:
 - I) Under Section 115E of the Act, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall [in cases not covered under Section 10(38) of the IT Act] be concessionaly taxed at a flat rate of 10% (plus applicable surcharge and educational cess *) without indexation benefit but with protection against foreign exchange fluctuation under the first provision to Section 48 of

the Act. * W.e.f. A.Y 2010-11 surcharge is now applicable only on corporate entities (including foreign companies) and not on individuals, HUFs etc.

- II) Under provisions of section 115-F of the IT Act, long term capital gains [not covered under section 10(38) of the Act] arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.
- III) Under provisions of Section 115-G of the IT Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is Investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
- IV) As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- V) Under Section 115-I of the IT Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the IT Act for any assessment year by furnishing his return of income under section 139 of the IT Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the IT Act.
- k) As per section 90(2) of the IT Act, provisions of the Double taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-Resident Indian would prevail over the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident Indian.
- l) Under the provisions of Section 195 of the Income Tax Act, any income (not being an income chargeable under the head „Salaries“), payable to non residents, may be eligible to the provisions of withholding tax, subject to the tax treaty. Accordingly income tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.

2.3 Foreign Institutional Investors (FIIs)

- a) By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from another domestic Company referred to in Section 115-O of the Act, are exempt from tax in the hands of the institutional investor.

- b) Under Section 10(38) of the IT Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.
- c) Under Section 111A of the IT Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the IT Act at the rate of 15% (plus applicable surcharge and educational cess *).
- d) Under Section 115AD of the IT Act, income of FIIs arising from securities (other than income by way of dividends referred to in section 115O of the IT Act) would be taxed at concessional rates as follows:

| Nature of Income | Rate of Tax (%) ** |
|---|---------------------------|
| Income in respect of securities (other than dividend) | 20 |
| Long term capital gains | 10 |
| Short term capital gains* | 30 |

* However, short term capital gains referred to in section 111A shall be at the rate of 15 %**

** The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuations protection as provided under section 48 of the IT Act are not available to an FII.

- e) Where the income arising from taxable securities transactions entered into in the course of business and such taxable securities transactions are included in the income computed under the head "Profits and gains from business and profession" the securities transaction tax paid on such transactions will be allowed as deduction from income under the head "Profits and gains of business or profession" under clause (xv) to sub section (1) of section 36 of the IT Act.
- f) As per section 90(2) of the IT Act, provisions of the Double taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-Resident Indian would prevail over the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident Indian.

2.4 Venture Capital Companies / Funds

As per the provisions of section 10(23FB) of the IT Act, income of

1. Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and
2. Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and fulfilling such conditions as may be notified in the Official Gazette, set up for raising funds for investment. in a Venture Capital Undertaking,

is exempt from income tax. However, income received by a person out of investment made in a venture capital company or in a venture capital fund shall be chargeable to tax in the hands of such person.

2.5 Benefits available to Mutual funds

As per the provisions of section 10(23D) of the IT Act, subject to provisions of Chapter XII - E, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by the Public Sector Banks or Public Financial Institution or authorized by the Reserve Bank of India

.and subject to the conditions specified therein, would be eligible for exemption from the income tax on their income, including income from investment in shares of a company.

B. BENEFITS UNDER WEALTH TAX ACT, 1957

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth-tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

Notes

- a) In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.
- b) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
- c) All the above benefits are as per the current tax laws (including amendments made by the Finance Act 2010), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above.
- d) Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.
- e) This statement is only extended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional Tax Advice. In view of the individual nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the Company.

CURRENCY OF PRESENTATION

In this Information Memorandum all references to "Rupees" or "Rs." are to Indian Rupees, the legal currency of the Republic of India.

DIVIDEND POLICY

The Company does not have any formal dividend policy vis a vis the equity shares. The declaration and payment of equity dividend in a company is recommended by our Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Directors had recommended a dividend of Re. 1.00 per equity share i.e. 10% for the year ended 31st March, 2010.

IV. FINANCIAL INFORMATION

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

AUDITORS' REPORT

TO THE MEMBERS OF
DHUNSERI INVESTMENTS LIMITED
(Formerly D I MARKETING LIMITED)

1. We have audited the attached Balance Sheet of DHUNSERI INVESTMENTS LIMITED (Formerly D I Marketing Limited), Dhunseri House, 4A, Woodburn Park, Kolkata as at 31st March, 2010, the Profit and Loss Account and the Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in the paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account, as required by law, (as amended) have been kept by the Company so far as appears from our examination of these books.
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company have complied with the specified accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
 - e. On the basis of written representations received from the Directors and taken on record by the board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

Dhunseri Investments Limited-Information Memorandum

- f. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid accounts read with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of Balance Sheet of the State of Affairs of the Company as at 31st March, 2010; and
 - b) In the case of Profit & Loss Account, of the **Profit** for the year ended on that date.
 - c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Place: Kolkata

Date: The 11th day of August, 2010

PRABHAT KUMAR DHANDHANIA, FCA, Partner

Membership No.052613

For and on behalf of

DHANDHANIA & ASSOCIATES

Chartered Accountants

Firm Registration No.316052E

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of '**DHUNSERI INVESTMENTS LIMITED** (Formerly D I Marketing Limited)' on the Financial Statements for the year ended 31st March, 2010.

1.
 - a. The Company is maintaining proper records showing full particulars, including quantitative details & situation of fixed assets.
 - b. The fixed assets have been physically verified by the management at reasonable intervals, and no material discrepancies were noticed on such verification.
 - c. In our opinion and according to the information & explanations given to us no substantial part of the fixed assets has been disposed off by the Management during the year.
2. The company does not have inventory. Hence, clause ii (a), ii (b) and ii(c) is not applicable.
3.
 - a. The Company has not granted any loans secured or unsecured to any Companies, firms or other parties covered in the register maintained U/s 301 of the Act. Hence, comment under clause (iii) (b), (iii) (c), (iii) (d) of the Companies (Auditor's Report) (Amendment) Order, 2004 is not required.
 - b. The Company has not taken unsecured loan from Companies, firms or other parties covered in the register maintained U/s 301 of the Act. Hence, comment under clause (iii) (f), (iii) (g), of the Companies (Auditor's Report) (Amendment) Order, 2004 is not required.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of shares, fixed assets and sale of shares. During the course of our audit no weakness has been noticed in the internal control system.
5.
 - a. In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the act which need to be entered in the register to be maintained under that section have been so entered.
 - b. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lac have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder.
7. In view of adequacy of internal control procedures commensurate with the size of the company and nature of its business, the company has no separate Internal Audit System during the year.
8. Maintenance of the cost records prescribed by Central Government of India under clause (d) of sub-section (1) of Section 209 of the Act is not applicable to the Company.
9.
 - a. The Company is regular in depositing with appropriate authorities, undisputed statutory dues including Income Tax, Wealth Tax and other material statutory dues applicable to it. According to the information and explanation given to us, no undisputed amount payable in respect of Income Tax and other statutory dues were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

Dhunseri Investments Limited-Information Memorandum

- b. According to the information and explanation given to us, there are no disputed dues outstanding as at 31.03.2010.
10. The Company has no accumulated losses as at March 31, 2010 and it has not incurred cash loss in the current financial year and in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, there are no dues payable to any financial institutions or banks or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. The Company has maintained proper records of the transactions and contract and timely entries have been made therein. The Investments have been transferred in the name of the company on or before 17.07.2010 except the shares in physical mode which are in the process of transfer.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any term loan during the year. Further, there is no outstanding term loan as at the Balance Sheet date.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to the parties and Companies covered in the register maintained under Section 301 of the Act during the year and hence, commenting under this clause is not required.
19. The Company has not issued any Debentures and hence commenting under this clause is not required.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

PRABHAT KUMAR DHANDHANIA, FCA, Partner

Membership No.052613

For and on behalf of

DHANDHANIA & ASSOCIATES

Chartered Accountants

Firm Registration No.316052 E

Place: Kolkata

Date: The 11th day of August, 2010

DHUNSERI INVESTMENTS LIMITED (FORMELY DI MARKETING LIMITED)
Balance Sheet as at 31st March, 2010

(Rs. in '000)

| | Schedule | As at March 31, 2010 | As at March 31, 2009 |
|---|----------|-------------------------|-------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 500.00 | 500.00 |
| Share Capital Suspense | 1A | 58054.48 | - |
| Reserves and Surplus | 2 | 1,529,410.19 | 32.74 |
| Deferred Tax | | 2,096.27 | - |
| Total | | 1,590,060.94 | 532.74 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | 3 | 23,298.59 | - |
| Less : Depreciation | | 9,547.35 | - |
| Net Block | | 13,751.24 | - |
| Investments | 4 | 1,780,943.35 | - |
| Current Assets, Loans and Advances | | | |
| Cash and Bank Balances | 5 | 542.21 | 554.36 |
| Other Current Assets | 6 | 32.00 | 31.24 |
| Loans and Advances | 7 | 3,012.40 | - |
| | | 3,586.61 | 585.60 |
| Less : Current Liabilities and Provisions | 8 | 208,220.26 | 55.08 |
| Net Current Assets | | (204,633.65) | 530.51 |
| MISCELLANEOUS EXPENDITURE | | | |
| Total | | 1,590,060.94 | 532.74 |
| Significant Accounting Policies & Notes to Accounts | 9 | | |

The schedule referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

PRABHAT KUMAR DHANDANIA, FCA, PARTNER

Membership No: 052613

For and on behalf of Dhandhanian & Associates

Chartered Accountants

Firm Reg. No. 316052E

Place: Kolkata

Dated: The 11th day of August, 2010

For and on Behalf of Board

C.K. Dhanuka - Chairman

Aruna Dhanuka

M. Dhanuka

B.D. Beriwal

P.L. Agarwal

S.K. Kejriwal

B.K. Biyani

R. Mahadevan
Secretary

DHUNSERI INVESTMENTS LIMITED (FORMELY DI MARKETING LIMITED)
Profit and Loss Account for the year ended 31st March, 2010

(Rs. in '000)

| | Schedule | Year ended March 31, 2010 | Year ended March 31, 2009 |
|---|----------|------------------------------|------------------------------|
| INCOME | | | |
| Profit on Sale of Investments | | 74.68 | - |
| Dividend Received | | 48,435.85 | - |
| Interest Received | | 25.01 | 40.43 |
| | | 48,535.54 | 40.43 |
| EXPENDITURE | | | |
| Rates & Taxes | | 6.20 | 10.15 |
| Bank Charges | | 3.02 | - |
| Professional Charges | | 1.10 | 1.43 |
| Audit Fee | | 27.58 | 3.31 |
| Loss on Sales of Fixed Assets | | 10.46 | - |
| Depreciation | | 912.18 | - |
| Preliminary Exps. Written off | | 2.23 | 2.22 |
| Total Expenses | | 962.77 | 17.11 |
| Profit/(Loss) before Tax | | 47,572.77 | 23.32 |
| Provision for Taxation | | | |
| Current Tax | | 530.00 | 7.21 |
| Deferred Tax | | 2,096.27 | - |
| | | 2,626.27 | 7.21 |
| Profit after Tax | | 44,946.50 | 16.11 |
| Profit/(Loss) brought forward from previous year | | 32.74 | 16.63 |
| Profit available for appropriation | | 44,979.24 | 32.74 |
| Transfer to NBFC Fund | | 8,989.30 | - |
| Proposed Dividend @Re. 1/- per share | | 5,855.45 | - |
| Dividend Distribution Tax | | 972.52 | - |
| Transfer to General Reserve | | 2,500.00 | - |
| Profit/(Loss) carried to Balance Sheet | | 26,661.97 | 32.74 |
| | | 44,979.24 | 32.74 |
| Basic and diluted Earnings per share (Face Value Rs 10/- each) (Refer Note 2(ix) of schedule 9.) | | 7.68 | 0.32 |
| Significant Accounting Policies & Notes on Accounts | 9 | | |

The schedule referred to above form an integral part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date.

PRABHAT KUMAR DHANDANIA, FCA, PARTNER

Membership No: 052613

For and on behalf of Dhandhanian & Associates

Chartered Accountants

Firm Reg. No. 316052E

Place: Kolkata

Dated: The 11th day of August, 2010

For and on Behalf of Board

C.K. Dhanuka - Chairman

Aruna Dhanuka

M. Dhanuka

B.D. Beriwal

P.L. Agarwal

S.K. Kejriwal

B.K. Biyani

R.Mahadevan
Secretary

**DHUNSERI INVESTMENTS LIMITED (FORMELY DI MARKETING LIMITED)
SCHEDULES FORMING PART OF ACCOUNTS**

(Rs. in '000)

| | As at March 31, 2010 | As at March 31, 2009 |
|---|---------------------------------|---------------------------------|
| <u>SCHEDULE - 1</u> | | |
| SHARE CAPITAL | | |
| Authorised 2,00,000 Equity Shares of Rs. 10/- each (Authorised Capital since increased to Rs. 5,90,54,480/- refer note 2 (iv) schedule 9) | 2,000.00 | 2,000.00 |
| Issued Subscribed And Paid Up 50,000 Equity Shares of Rs. 10/- each | 500.00 | 500.00 |

| | | |
|--|-----------|---|
| <u>SCHEDULE - 1A</u> | | |
| SHARE CAPITAL SUSPENSE | | |
| 58,55,448 (Previous Year Nil) Equity Shares of Rs.10/- each, fully paid up to be issued pursuant to Scheme of Arrangement without payment being received in cash | 58,554.48 | - |
| Shares to be cancelled as per Scheme of Arrangement (50,000 Equity Shares of Rs.10/- each fully paid) | (500.00) | - |
| | 58054.48 | - |

| <u>SCHEDULE-2</u> | Balance as on 01.04.2009 | Addition | Deduction | Balance as on 31.03.2010 |
|---|---|-----------------|------------------|---|
| RESERVES and SURPLUS | | | | |
| NBFC Fund | - | - | - | 8,989.30 |
| General Reserve | - | 1,549,313.40 | 58,054.48 | 1,491,258.92 |
| Add: Transfer from Profit and Loss account | - | 2,500.00 | - | 2,500.00 |
| | - | 1,551,813.40 | 58,054.48 | 1,493,758.92 |
| Balance in Profit & Loss Account | - | - | - | 26,661.97 |
| | - | 1,551,813.40 | 58,054.48 | 1,529,410.19 |

SCHEDULE - 3

(Amount Rs.'000)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | | NET BLOCK | |
|---------------------------------------|------------------------|--|---------------------|-----------------------------|----------------|------------------------------|-----------------|---------------------|----------------------|------------------|------------------|
| | Opening As On 1.4.2009 | Additions as per Scheme of Arrangement | Sale or Adjust ment | Total Cost As on 31.03.2010 | Upto 31.3.2009 | As per Scheme of Arrangement | During the Year | Sale or Adjustme nt | Total Upto 31.3.2010 | As at 31.03.2010 | As at 31.03.2009 |
| LESAE HOLD LAND (Situ ated at Jaipur) | - | 2,567.68 | - | 2,567.68 | - | 300.43 | 25.94 | - | 326.37 | 2,241.32 | - |
| Buildings | - | 8,672.68 | - | 8,672.68 | - | 3,017.50 | 280.19 | - | 3,297.68 | 5,374.99 | - |
| Plant & Machinery | - | 8,968.15 | - | 8,968.15 | - | 3,725.20 | 428.67 | - | 4,153.87 | 4,814.29 | - |
| Electrical Installation | - | 1,904.67 | - | 1,904.67 | - | 967.21 | 90.47 | - | 1,057.68 | 846.99 | - |
| Furniture & Fixture | - | 580.38 | 17.15 | 563.23 | - | 352.66 | 26.48 | 5.18 | 373.96 | 189.28 | - |
| Computer Data System | - | 145.16 | - | 145.16 | - | 110.55 | 11.00 | - | 121.55 | 23.61 | - |
| Vehicles | - | 477.02 | - | 477.02 | - | 166.80 | 49.44 | - | 216.24 | 260.77 | - |
| Grand Total | - | 23,315.74 | 17.15 | 23,298.59 | - | 8,640.35 | 912.18 | 5.18 | 9,547.35 | 13,751.24 | - |

Note: Additions in Gross Block includes Rs. 40272 purchased during the year.

SCHEDULE – 4

(Rs. in '000)

| | Face Value in (Rs.) | No. of Shares | | Book Value | |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|
| | | As at March 31, 2010 | As at March 31, 2009 | As at March 31, 2010 | As at March 31, 2009 |
| INVESTEMENTS | | | | | |
| A. Long Term Investment (Other than trade) | | | | | |
| In Government/ Trust Securities - Unquoted | | | | | |
| National Savings Certificates (Deposited with Sales Tax Dept as Security) | | - | - | 28.45 | - |
| | | - | - | 28.45 | - |
| In Equity Shares of Other Companies - Quoted, fully paid up | | | | | |
| Dhampur Sugar Mills Limited | 10 | 284,794 | - | 18,039.69 | - |
| Electrosteel Casting Limited | 1 | 887,500 | - | 42,680.67 | - |
| Escorts Limited | 10 | 110,000 | - | 13,996.06 | - |
| Fortis Heathcare Limited | 10 | 105,200 | - | 13,069.06 | - |
| Gujart Fluoro Chemicals Limited | 1 | 150,000 | - | 22,682.05 | - |
| ITC Limited | 1 | 28,500 | - | 7,431.49 | - |
| Jaiprakash Associates Limited | 2 | 89,700 | - | 12,145.75 | - |
| Jindal Steel & Power Limited** | 1 | 26,000 | - | - | - |
| Jindal Saw Limited | 2 | 200,000 | - | 17,814.26 | - |
| Larsen & Toubro Limited | 2 | 12,000 | - | 9,986.80 | - |
| Maruti Suzuki India Limited | 5 | 13,000 | - | 18,808.37 | - |
| Nectar Life Science Limited | 1 | 150,000 | - | 4,687.84 | - |
| Srei Infrastrucutre Finance Limited | 10 | 70,000 | - | 4,978.69 | - |
| South Asian Petrochem Ltd | 10 | 117,067,020 | - | 1,485,990.72 | - |
| Spicejet Limited | 10 | 348,000 | - | 20,090.87 | - |
| Shree Renuka Sugar Limited | 1 | 47,000 | - | 85.86 | - |
| State Bank of Bikanar & Jaipur | 10 | 7,340 | - | 3,150.14 | - |
| State Bank of Travancore | 10 | 6,900 | - | 3,597.11 | - |
| Sun Pharma Advance Research Company Limited | 10 | 170,000 | - | 14,873.23 | - |
| Torrent Power Limited | 10 | 150,000 | - | 18,480.37 | - |
| West Coast Paper Mills Limited | 2 | 87,720 | - | 6,137.58 | - |
| | | 120,010,674 | - | 1,738,726.61 | - |
| ** Bonus Shares | | | | | |
| In Equity Shares - Unquoted, fully paid up | | | | | |
| Assam Bengal Cereals Ltd | 10 | 2,630 | - | 26.30 | - |
| Assam Hospital Limited | 10 | 50,000 | - | 500.00 | - |
| Assam Financial Corporation Ltd. | 100 | 100 | - | 10.05 | - |
| Assam Co-Operative Apex Bank Ltd. | 50 | 300 | - | 15.00 | - |
| East India Planters Co-Operative Ltd. | 50 | 124 | - | 6.20 | - |
| Madhuting Tea Private Limited | 1,000 | 5,000 | - | 30,010.50 | - |
| Tectura Corporation (*) | 100 | 179,265 | - | 9,917.74 | - |

Dhunseri Investments Limited-Information Memorandum

| | | | | | |
|---|--|---------|---|---------------------|---|
| 5% Non-redeemable debenture stock 1957 in The East India Clinic Limited | | - | - | 2.50 | - |
| | | 237,419 | - | 40,488.29 | - |
| B. Current Investment | | | | | |
| In Mutual Fund | | | | | |
| HDFC Cash Management Fund-Treasury Advantage Plan - Retail | | 85,191 | - | 1,700.00 | - |
| | | 85,191 | - | 1,700.00 | - |
| Grand Total | | | - | 1,780,943.35 | - |
| Aggregate of Quoted Investments (Book Value) | | | | 1,738,726.61 | - |
| Aggregate of Unquoted Investments (Book Value) | | | | 42,216.74 | - |
| Aggregate of Quoted Investments (Market Value) | | | | 1,820,197.94 | - |

Pursuant to an agreement dated November 6, 2006 between (i) the Company along with certain other Companies (collectively the Sellers), (ii) Euroinfo Systems Pvt.Ltd. And (iii) Tectura Corporation, USA (the Buyer), 70,000 shares of Euroinfo Systems Pvt. Ltd. held by the Company were sold to Tectura Corporation subject to certain terms and conditions as mentioned in the agreement at the aggregate of following purchase price subject to clause (c) as below :

(a) 179,265 fully paid up, common stock of Tectura Corporation - these stocks are held in escrow at and shall be released after 3 years commencing from the closing date thereafter the company may elect to exercise their redemption option anytime at an agreed price and

(b) Annual stock dividend in the form of Tectura Corporation's common stock after 24 and 36 months post closing. During the year Company has received common stock of Tectura Corporation in lieu of Dividend on completion of 24 months post closing in term of the above mention agreement.

(c) A price adjustment in the form of Tectura Corporation's common stock, if tangible net worth of Euroinfo Systems Pvt. Ltd. as on the date preceding the closing date is less than certain limits.

*** The Company merged in Dhunseri Petrochem and Tea Limited w.e.f. 01.07.2010 and consequently company will receive one share of Dhunseri Petrochem and Tea Limited for every 10 Shares of South Asian Petrochem Limited held by the company.

SCHEDULE - 5

(Rs. in '000)

| | As at March 31, 2010 | As at March 31, 2009 |
|-------------------------------|-----------------------------|-----------------------------|
| CASH and BANK BALANCES | | |
| Cash in hand | 4.26 | 0.40 |
| Fixed Deposits with Banks | - | 550.94 |
| Balances with Scheduled Banks | | |
| On Current Accounts | 537.95 | 3.02 |
| | 542.21 | 554.35 |

| <u>SCHEDULE - 6</u> | | |
|------------------------------|-------|-------|
| OTHER CURRENT ASSETS: | | |
| TDS Receivables | 32.00 | 29.21 |
| | 32.00 | 29.21 |

| <u>SCHEDULE - 7</u> | | |
|----------------------------|----------|------|
| LOANS AND ADVANCES | | |
| Income Tax Advance | 2,502.04 | 2.04 |
| Other Advance | 510.36 | - |
| | 3,012.40 | 2.04 |

| SCHEDULE - 8 | | |
|---|------------|-------|
| CURRENT LIABILITIES and PROVISIONS | | |
| A. Current Liabilities | | |
| Creditor for Advances (DPTL) | 199,868.89 | 0.30 |
| Liabilities For Expenses | 550.60 | 32.50 |
| | 200,419.49 | 32.80 |
| B. Provisions | | |
| Proposed Dividend | 5,855.45 | - |
| Tax on Dividend | 972.52 | - |
| For Retirement & Other Employee Benefits | 420.52 | - |
| For Taxation | 552.28 | 22.28 |
| | 7,800.77 | 22.28 |
| Total | 208,220.26 | 55.08 |

SCHEDULE - 9

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010

1. SIGNIFICANT ACCOUNTING POLICIES:

a. CONVENTION

The accounts have been prepared to comply in all material respects with applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

b. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Historical Cost convention. All expenses and income unless specifically stated to be otherwise have been accounted for on accrual basis.

c. FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation. Cost includes expenditure incurred in the acquisition and construction/installation and other related expenses.

d. DEPRECIATION

Depreciation on fixed assets has been provided on Straight-Line Method at the rates specified in Schedule XIV of the Companies Act, 1956. Assets costing below Rs.5,000/- each are fully depreciated in the year of addition. Lease-hold land is amortised over the effective period of lease.

e. INVESTMENTS

Long Term Investments are stated at cost. Diminution in value thereof as determined which are not temporary in nature are adjusted there from and charged to revenue. Current Investments if any are valued at lower of cost and fair value of such investments.

f. EMPLOYEE BENEFITS

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered. However there are no employees in the current year and hence no such amount has been debited in the current year.

Liabilities in respect of Defined Benefits plan namely retirement gratuities and encashment of unavailed leave are unfunded and calculated by an independent actuary at the year-end and provided for. Actuarial gains/ losses are recognised in the statement of Profit and Loss Account.

g. REVENUE RECOGNITION

- Profit/ (Loss) on sale of investments is taken to Profit and Loss Account.
- Dividend income is accounted for on receipt basis.
- Income arising on account of job work relating to packeting of Tea is accounted as and when bills are raised on the party after completion of the respective assignment.

h. TAXES ON INCOME

- Current Tax is determined in accordance with the provision of Income Tax Act, 1961.
- Deferred Tax has been recognised for all timing differences, subject to consideration of prudence in respect of Deferred Tax Assets.
- Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of section 115JAA of the Income Tax Act, 1961 based on the convincing evidence that the Company will pay normal Income-tax within statutory time frame and is reviewed at each Balance Sheet date.

Dhunseri Investments Limited-Information Memorandum

i. LEASES

- a. Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the leases at the lower of the fair value or the present value of minimum lease payment and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- b. Assets acquired on lease where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Profit and Loss Account on accrual basis.

2. NOTES ON ACCOUNTS

- i. The name of the Company has been changed from DI Marketing Limited to Dhunseri Investments Limited w.e.f 16/07/2010 after receipt of fresh certificate of Incorporation consequent on change of name from the Registrar of Companies, West Bengal.
- ii. Transfer of Demerged Undertaking of Jaipur Packet Factory and Investment Division of Dhunseri Tea & Industries Limited DTIL (now Dhunseri Petrochem and Tea Limited) to Dhunseri Investments Limited (Formerly DI Marketing Limited)(DIML):
 - a) Pursuant to Scheme of Arrangement (the Scheme) approved by the Shareholders and sanctioned by the Hon'ble High Court of Calcutta vide its order dated 6th May, 2010, Jaipur Packet Factory and Investment division of DTIL has been transferred to DIML with effect from 1st April, 2009 (the Appointed Date) and accordingly the Scheme has been given effect to in these accounts.
 - b) In accordance with the Scheme, 5,855,448 Equity Shares of Rs 10/- each fully paid up and ranking pari passu with existing Equity Shares have been issued by the DIML to the equity shareholders of DTIL in the ratio of 1 (One) Equity Share of Rs 10/- each fully paid up of DIML for every 2 (Two) Equity Shares of Rs 10 each fully paid up held by them in the capital of DTIL on 21.07.2010.
 - c) All existing shares held by DTIL in Dhunseri Investments Limited (Formerly DI Marketing Limited) i.e. 50,000 Equity Shares of Rs. 10/- each stands cancelled without any further act or deed on 21st July, 2010.

d) Statement of Assets and Liabilities incorporated from DTIL as on April 01, 2009:

(Rs. in '000)

| Particulars | | |
|-----------------------------------|------------------|----------------------|
| Assets | | |
| Fixed Assets | | 146,350.00 |
| Investment | | 15,337,080.00 |
| Current Assets, Loan and Advances | | |
| Inventories | 27,900.00 | |
| Cash and Bank Balances | 30.00 | |
| Loan and Advances | 1,210.00 | |
| | 29,140.00 | |
| Less: Current Liabilities | 19,440.00 | |
| Net Current Assets | | 9,700.00 |
| Total Assets | | 15,493,130.00 |

- e) As per the scheme of arrangement, Dhunseri Tea and Industries Limited (now Dhunseri Petrochem and Tea Limited) carried on the business in trust till the scheme of arrangement is approved. Accordingly, Dhunseri Tea and Industries Limited carried on the transactions of Investment in Shares in their own name from 01.04.2009, which have been transferred to the company on or before 17th July 2010.
- f) Land situated at Jaipur which is transferred to the company along with Building, Plant and Machinery and Net Current Assets, as per Scheme of arrangement is yet to be registered in the name of the company.
- g) The company has entered into an agreement with Dhunseri Petrochem and Tea Limited w.e.f 01.07.2010 for packeting of Teas on their behalf. Till such time, Dhunseri Petrochem and Tea Limited, has reimbursed all the expenditure incurred for packeting of teas.
- iii. The company is in the process of getting it registered as Non Banking Financial Company with Reserve Bank of India.
- iv. The company has increased the authorized capital from Rs.20.00 Lac to Rs.590.54 Lac divided into 59,05,448 Equity Shares of Rs.10/- each and necessary form have been filed with the Registrar of Companies, West Bengal.

Dhunseri Investments Limited-Information Memorandum

| Particulars | | |
|--|--|--------------------------|
| ASSETS SIDE | | Amount Outstanding (Rs.) |
| 2. Break-up of Loans & Advances including Bills Receivables [Other than those included in (4) below] : | | |
| a. Secured | | - |
| b. Unsecured | | 510.36 |
| 3. Break-up of Leased Assets and Stock on hire and other Assets counting towards AFC activities: | | |
| i. Lease Assets including Lease Rentals under Sundry Debtors | | |
| a) Financial Lease | | - |
| b) Operating Lease | | - |
| ii. Stock on Hire including Hire Charges under Sundry Debtors | | |
| a) Assets on Hire | | - |
| b) Repossessed Assets | | - |
| iii. Other Loans counting towards AFC activities | | |
| a) Loans where Assets have been repossessed | | - |
| b) Loans other than (a) above | | - |

| | | |
|------------------------------|--|----------|
| 4. Break-up of Investments : | | |
| Current Investments : | | |
| 1. Quoted : | | |
| i) Shares : (a) Equity | | - |
| (b) Preference | | - |
| ii) Debentures and Bonds | | - |
| iii) Units of Mutual Funds | | 1,700.00 |
| iv) Government Securities | | - |
| v) Others (please specify) | | |
| 2. Unquoted : | | |
| i) Shares : (a) Equity | | - |
| (b) Preference | | - |
| ii) Debentures and Bonds | | - |
| iii) Units of Mutual Funds | | - |
| iv) Government Securities | | - |
| v) Others (please specify) | | - |

| | | |
|--------------------------------|--|--------------|
| Long Term Investments : | | |
| 1. Quoted : | | |
| i) Shares : (a) Equity | | 1,738,726.61 |
| (b) Preference | | - |
| ii) Debentures and Bonds | | - |
| iii) Units of Mutual Funds | | - |
| iv) Government Securities | | 28.45 |
| v) Others-Detachable Warrants | | - |
| 2. Unquoted : | | |
| i) Shares : (a) Equity | | 40,485.79 |
| (b) Preference | | - |
| ii) Debentures and Bonds | | 2.50 |
| iii) Units of Mutual Funds | | - |
| iv) Government Securities | | - |
| v) Others-Detachable Warrants | | - |

5. Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:

| Category | Amount net of Provisions | | Total |
|--------------------------------|--------------------------|-----------|--------|
| | Secured | Unsecured | |
| 1. Related Parties | | | - |
| a) Subsidiaries | - | - | - |
| b) Companies in the same group | - | - | - |
| c) Other related parties | - | - | - |
| 2. Other than related parties | - | 510.36 | 510.36 |
| Total | - | 510.36 | 510.36 |

Dhunseri Investments Limited-Information Memorandum

6. Investor group-wise classification of all investments (current & long term) in shares and securities (both quoted and unquoted) :

(Figures in Rs.'000)

| Category | Market Value /Breakup or Fair Value or NAV | Book Value (Net of Provisions) |
|--|--|--------------------------------|
| 1. Related Parties | | |
| a) Subsidiaries | -- | -- |
| b) Companies in the same group | | |
| Quoted : Shares | 1,469,191.10 | 1,485,990.72 |
| Debentures | -- | -- |
| Un-quoted : Shares | -- | -- |
| c) Other related parties | | |
| Quoted : Shares | -- | -- |
| Un-quoted : Shares | -- | -- |
| Units | -- | -- |
| 2. Other than related parties | | |
| Quoted : Shares | 351,006.84 | 252,735.89 |
| Debentures | (1,468,840) | |
| Un-quoted : Shares | | 40,488.29 |
| Un-quoted : Government Securities/Trust Securities | -- | 28.45 |
| Un-quoted : Preference Shares | -- | - |
| Un-quoted : Mutual Fund Units | -- | 1,700.00 |
| Total | 351.36 | 1,780,943.35 |

7. Other Information:

Amount (Rs.)

| | |
|--|----|
| i) Gross Non-Performing Assets | |
| a) Related Parties | -- |
| b) Other than related parties | -- |
| ii) Net Non-Performing Assets | |
| a) Related Parties | -- |
| b) Other than related parties | -- |
| iii) Assets acquired in satisfaction of debt | -- |

Signatures to Schedule '1 to 9'

PRABHAT KUMAR DHANDANIA, FCA, PARTNER
Membership No: 052613

For and on behalf of Dhandhanian & Associates

Chartered Accountants

Firm Reg. No. 316052E

Place: Kolkata

Dated: The 11th day of August, 2010

For and on Behalf of Board

C.K. Dhanuka - Chairman

Aruna Dhanuka

M. Dhanuka

B.D. Beriwal

P.L. Agarwal

S.K. Kejriwal

B.K. Biyani

R. Mahadevan
Secretary

**DHUNSERI INVESTMENTS LIMITED (FORMELY DI MARKETING LIMITED)
Cash Flow Statement for the year ended 31st March, 2010**

(Rs. in '000)

| | | |
|---|--------------|---------------------|
| A) Cash Flow from Operating Activities | | |
| Net profit before tax and extraordinary items | | 47,572.77 |
| Adjust for | | |
| Dividend Received | (48,435.85) | |
| Depreciation | 912.18 | |
| Interest Received | (25.01) | |
| Profit on sale of investments | (74.68) | |
| Preliminary Expenses Written off | 2.23 | |
| Loss on Sales of Fixed Assets | 10.47 | (47,610.66) |
| Operating Profit before Working Capital Changes | | (37.89) |
| Adjust for | | |
| (Increase) / Decrease in Inventory | 2,789.99 | |
| (Increase) in Other Current Assets | (0.76) | |
| (Increase) / Decrease in Loan & Adv | (389.36) | |
| Increase / (Decrease) in Current Liabilities | 199,111.31 | 201,511.18 |
| Cash Generated from Operating Activities | | 201,473.28 |
| Taxes Paid | | (2,500.00) |
| Net Cash from Operating Activities | | 198,973.28 |
| B) Cash Flow from Investing Activities | | |
| Purchase of Investments | (430,959.30) | |
| Sale of Investments | 183,548.79 | |
| Dividend Received | 48,435.85 | |
| Purchase of Fixed Assets | (40.27) | |
| Sales of Fixed Assets | 1.50 | (199,013.44) |
| Cash From Investing Activities | | (199,013.44) |
| C) Cash Flow from Financing Activities | | |
| Interest Received (Net of Brokerage) | 25.01 | 25.01 |
| Cash From Financing Activities | | 25.01 |
| Net Increase in Cash & Cash Equivalent (A+B+C) | | (15.14) |
| Opening Balance of Cash & Cash Equivalent | | 557.35 |
| Closing Balance of Cash & Cash Equivalent | | 542.21 |

Notes:

This is the cash flow refer to in our report of even date annexed thereto.

Previous year figures have not been given as the cash flow was not applicable in that year.

As per scheme of arrangement, Dhunseri Tea and Industries Limited (Now Dhunseri Petrochem and Tea Limited) carried on business in trust and the same has been considered in cash flow.

PRABHAT KUMAR DHANDANIA, FCA, PARTNER

Membership No: 052613

For and on behalf of Dhandhanian & Associates

Chartered Accountants

Firm Reg. No. 316052E

Place: Kolkata

Dated: The 11th day of August, 2010

For and on Behalf of Board

C.K. Dhanuka - Chairman

Aruna Dhanuka

M. Dhanuka

B.D. Beriwal

P.L. Agarwal

S.K. Kejriwal

B.K. Biyani

R. Mahadevan
Secretary

AUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2010

AUDITORS' REPORT

We have audited the attached Balance Sheet of DHUNSERI INVESTMENTS LIMITED as at 30th September, 2010 and also the Profit and Loss Account for the period from 1st April 2010 to 30th September 2010. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
- (iii) The balance sheet and profit & loss account dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the balance sheet, of the state of affairs of the Company as at 30th September 2010;
 - b. in the case of profit and loss account, of the **Profit** for the period ended on that date; and
 - c. in the case of the cash flow statement, of the cash flows for the year ended on that date.

For DHANDHANIA & ASSOCIATES
Chartered Accountants

SHUBHAM DAGA, FCA, Partner
Membership No.063574
Firm's registration no.: 316052E

Kolkata
Date: 14th Day of November 2010

DHUNSERI INVESTMENTS LIMITED
Balance Sheet as at 30th September, 2010

(Amount Rs `000)

| | Schedule | As at September 30, 2010 | As at March 31, 2010 |
|---|----------|--------------------------------|----------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 58,554.48 | 500.00 |
| Share Capital Suspense | 1A | | 58,054.48 |
| Reserves and Surplus | 2 | 16,17,976.74 | 15,29,410.19 |
| | | 16,76,531.22 | 15,87,964.67 |
| Deferred Tax | | 2,096.27 | 2,096.27 |
| Total | | 16,78,627.49 | 15,90,060.94 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | 3 | 23,298.59 | 23,298.59 |
| Less : Depreciation | | 10,003.46 | 9,547.35 |
| Net Block | | 13,295.13 | 13,751.24 |
| Investments | 4 | 16,98,122.07 | 17,80,943.35 |
| Current Assets, Loans and Advances | | | |
| Sundry Debtors | 5 | 1,061.02 | - |
| Cash and Bank Balances | 6 | 1,651.68 | 542.21 |
| Other Current Assets | 7 | 5,918.20 | 32.00 |
| Loans and Advances | 8 | 3,298.52 | 3,012.40 |
| | | 11,929.42 | 3,586.61 |
| Less : Current Liabilities and Provisions | 9 | 44,719.13 | 2,08,220.26 |
| Net Current Assets | | (32,789.71) | (2,04,633.65) |
| Total | | 16,78,627.49 | 15,90,060.94 |
| Significant Accounting Policies & Notes to Accounts | 10 | | |

SHUBHAM DAGA, FCA, PARTNER
Membership No: 063574
For and on behalf of Dhandhanian & Associates
Chartered Accountants
Firm Reg. No. 316052E
 Place: Kolkata
 Dated: The 14th day of November, 2010

For and on Behalf of Board
 C.K. Dhanuka - Chairman
 B.D.Beriwala Director
 B.K.Biyani Director

R. Mahadevan
 Secretary

DHUNSERI INVESTMENTS LIMITED

Profit and Loss Account for the half year ended 30th September, 2010

(Amount Rs `000)

| | Schedule | Half Year ended September 30, 2010 | Year ended March 31, 2010 |
|---|----------|--|---------------------------------|
| INCOME | | | |
| Profit on Sale of Investments | | 44,816.58 | 74.68 |
| Dividend Received | | 51,571.47 | 48,435.85 |
| Interest Received | | - | 25.01 |
| Other Receipts | | 2,074.30 | - |
| | | 98,462.35 | 48,535.54 |
| EXPENDITURE | | | |
| Rates & Taxes | | 637.52 | 6.20 |
| Bank Charges | | - | 3.02 |
| Professional Charges | | - | 1.10 |
| Audit Fee | | - | 27.58 |
| Loss on Sales of Fixed Assets | | - | 10.46 |
| Salary & Wages | | 659.00 | - |
| Power & Fuel | | 112.80 | - |
| Other Expenditure | | 582.38 | - |
| Depreciation | | 456.10 | 912.18 |
| Preliminary Expenses Written off | | - | 2.23 |
| Total Expenses | | 2,447.80 | 962.77 |
| Profit/(Loss) before Tax | | 96,014.55 | 47,572.77 |
| Provision for Taxation | | | |
| Current Tax | | 7,448.00 | 530.00 |
| Deferred Tax | | - | 2,096.27 |
| | | 7,448.00 | 2,626.27 |
| Profit after Tax | | 88,566.55 | 44,946.50 |
| Profit/(Loss) brought forward from previous year | | 26,661.97 | 32.74 |
| Profit available for appropriation | | 1,15,228.52 | 44,979.24 |
| Transfer to NBFC Fund | | - | 8,989.30 |
| Proposed Dividend @Re. 1/- per share | | - | 5,855.45 |
| Dividend Distribution Tax | | - | 972.52 |
| Transfer to General Reserve | | - | 2,500.00 |
| Profit/(Loss) carried to Balance Sheet | | 1,15,228.52 | 26,661.97 |
| | | 1,15,228.52 | 44,979.24 |
| Basic and diluted Earnings per share (Face Value Rs 10/- each) | | 15.13 | 7.68 |
| Significant Accounting Policies & Notes on Accounts | 10 | | |

SHUBHAM DAGA, FCA, PARTNER
Membership No: 063574
For and on behalf of Dhandhanika & Associates
Chartered Accountants
Firm Reg. No. 316052E
 Place: Kolkata
 Dated: The 14th day of November, 2010

For and on Behalf of Board
 C.K. Dhanuka - Chairman
 B.D.Beriwala Director
 B.K.Biyani Director

R.Mahadevan
 Secretary

**DHUNSERI INVESTMENTS LIMITED
SCHEDULES FORMING PART OF ACCOUNTS**

(Amount Rs `000)

| SCHEDULE - 1 | As at September 30, 2010 | As at March 31, 2010 |
|---|---|-------------------------------------|
| SHARE CAPITAL | | |
| Authorised | | |
| 59,05,448 (Previous Year 2,00,000) Equity Shares of Rs 10/- each | 59,054.48 | 2,000.00 |
| Issued Subscribed And Paid Up | | |
| 5855448 (Previous Year 50,000) Equity Shares of Rs. 10/- each | 58,554.48 | 500.00 |
| Fully paid up issued pursuant to Scheme of Arrangement without payment being received in cash | - | - |
| TOTAL | 58,554.48 | 500.00 |

SCHEDULE - 1A

| | As at September 30, 2010 | As at March 31, 2010 |
|--|---|---------------------------------|
| SHARE CAPITAL SUSPENSE | | |
| 58,55,448 Equity shares of Rs.10 each fully paid up to be issued pursuant to Scheme of Arrangement without payment being received in cash. | - | 58,554.48 |
| Shares to be cancelled as per Scheme of Arrangement (50,000 Equity shares of Rs.10/- each fully paid). | - | (500.00) |
| TOTAL | - | 58,054.48 |

SCHEDULE - 2

(Amount Rs `000)

| RESERVES AND SURPLUS | As at September 30, 2010 | As at March 31, 2010 |
|----------------------------------|---|---------------------------------|
| General Reserve | 1,493,758.92 | 1,493,758.92 |
| NBFC Fund | 8,989.30 | 8,989.30 |
| Balance in Profit & Loss Account | 115,228.52 | 26,661.97 |
| TOTAL | 1,617,976.74 | 1,529,410.19 |

Dhunseri Investments Limited-Information Memorandum

(Amount Rs `000)

| SCHEDULE - 3 | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
|---------------------------------------|------------------|------------------------|---------------------------|--|--------------------|-----------------------------|-----------------|------------------------------|-----------------|---------------------|----------------------|------------------|
| | PARTICULARS | Opening As On 1.4.2010 | Additions during the Year | Additions as per Scheme of Arrangement | Sale or Adjustment | Total Cost As on 30.09.2010 | Upto 31.3.2010 | As per Scheme of Arrangement | During the Year | Sale or Adjustme nt | Total Upto 30.9.2010 | As at 30.09.2010 |
| Lesae Hold Land (Situ ated at Jaipur) | 2,567.68 | - | - | - | 2,567.68 | 326.36 | - | 12.97 | - | 339.33 | 2,228.35 | 2,241.32 |
| Buildings | 8,672.68 | - | - | - | 8,672.68 | 3,297.68 | - | 140.10 | - | 3,437.78 | 5,234.90 | 5,374.99 |
| Plant & Machinery | 8,968.15 | - | - | - | 8,968.15 | 4,153.87 | - | 214.34 | - | 4,368.21 | 4,599.95 | 4,814.29 |
| Electrical Installation | 1,904.67 | - | - | - | 1,904.67 | 1,057.68 | - | 45.24 | - | 1,102.92 | 801.75 | 846.99 |
| Furniture & Fixture | 563.23 | - | - | - | 563.23 | 373.96 | - | 13.24 | - | 387.20 | 176.04 | 189.27 |
| Computer Data System | 145.16 | - | - | - | 145.16 | 121.55 | - | 5.50 | - | 127.05 | 18.11 | 23.61 |
| Vehicles | 477.02 | - | - | - | 477.02 | 216.24 | - | 24.72 | - | 240.96 | 236.05 | 260.77 |
| Grand Total | 23,298.59 | - | - | - | 23,298.59 | 9,547.35 | - | 456.10 | - | 10,003.46 | 13,295.14 | 13,751.24 |
| Previous Year | - | - | 23,315.74 | 17.15 | 23,298.59 | - | 8,640.35 | 912.18 | 5.18 | 9,547.35 | 13,751.24 | - |

| SCHEDULE - 4 | Face Value in (Rs.) | As at September 30, 2010 | | As at March 31, 2010 | |
|---|---------------------|--------------------------|---------------------|----------------------|---------------------|
| | | No. of Shares | Value (Rs. in '000) | No. of Shares | Value (Rs. in '000) |
| INVESTEMENTS | | | | | |
| A. Long Term Investment | | - | - | - | - |
| (Other than trade) | | | | | |
| In Government/ Trust Securities - Unquoted | | | | | |
| National Savings Certificate | | - | 28.45 | - | 28.45 |
| (Deposited with Electricity, Postal Authorities and Sales Tax Dept as Security) | | | | | |
| | | - | 28.45 | - | 28.45 |
| In Equity Shares of Other Companies - Quoted, fully paid up | | | | | |
| Adani Power Limited | 10.00 | 38,500 | 4,652.85 | - | - |
| Dena Bank Limited | 10.00 | 3,22,100 | 21,854.61 | - | - |
| Dhampur Sugar Mills Limited | 10.00 | - | - | 2,84,794 | 18,039.69 |
| Dhunseri Petrochem & Tea Limited | 10.00 | 1,17,06,702 | 14,85,990.72 | - | - |
| Electrosteel Casting Limited | 1.00 | - | - | 8,87,500 | 42,680.67 |
| Escorts Limited | 10.00 | 1,10,000 | 13,996.06 | 1,10,000 | 13,996.06 |
| Fortis Heathcare Limited | 10.00 | 1,05,200 | 13,069.06 | 1,05,200 | 13,069.06 |
| Gujart Fluoro Chemicals Limited | 1.00 | 2,52,669 | 38,782.72 | 1,50,000 | 22,682.05 |
| ITC Limited | 1.00 | - | - | 28,500 | 7,431.49 |
| Jaiprakash Associates Limited | 2.00 | - | - | 89,700 | 12,145.75 |
| Jindal Saw Limited | 2.00 | - | - | 2,00,000 | 17,814.26 |
| Jindal Steel & Power Limited** | 1.00 | - | - | 26,000 | - |
| Larsen & Toubro Limited | 2.00 | 12,000 | 9,986.80 | 12,000 | 9,986.80 |

Dhunseri Investments Limited-Information Memorandum

| | | | | | |
|---|----------|--------------------|---------------------|---------------------|---------------------|
| Maruti Suzuki India Limited | 5.00 | - | - | 13,000 | 18,808.37 |
| Nectar Life Science Limited | 1.00 | - | - | 1,50,000 | 4,687.84 |
| Shree Renuka Sugar Limited | 1.00 | - | - | 47,000 | 85.86 |
| South Asian PetroChem Ltd (Amalgamated with DP & T Ltd) | 10.00 | - | - | 11,70,67,020 | 14,85,990.72 |
| Spicejet Limited | 10.00 | - | - | 3,48,000 | 20,090.87 |
| Srei Infrastrucutre Finance Limited | 10.00 | 70,000 | 4,978.69 | 70,000 | 4,978.69 |
| State Bank of Bikanar & Jaipur | 10.00 | 7,340 | 3,150.14 | 7,340 | 3,150.14 |
| State Bank of India | 10.00 | 3,300 | 7,427.90 | - | - |
| State Bank of Travancore | 10.00 | 6,900 | 3,597.11 | 6,900 | 3,597.11 |
| Sun Pharma Advance Research Company Limited | 10.00 | - | - | 1,70,000 | 14,873.23 |
| Torrent Power Limited | 10.00 | 1,50,000 | 18,480.37 | 1,50,000 | 18,480.37 |
| Vijay Bank Limited | 10.00 | 4,70,000 | 25,500.72 | - | - |
| West Coast Paper Mills Limited | 2.00 | 87,720 | 6,137.58 | 87,720 | 6,137.58 |
| | | 1,33,03,931 | 16,57,605.33 | 12,00,10,674 | 17,38,726.61 |
| ** Bonus Shares | | | | | |
| In Equity Shares - Unquoted, fully paid up | | | | | |
| Assam Bengal Cereals Ltd | 10.00 | 2,630 | 26.30 | 2,630 | 26.30 |
| Assam Hospital Limited | 10.00 | 50,000 | 500.00 | 50,000 | 500.00 |
| Assam Financial Corporation Ltd. | 100.00 | 100 | 10.05 | 100 | 10.05 |
| Assam Co-Operative Apex Bank Ltd. | 50.00 | 300 | 15.00 | 300 | 15.00 |
| East India Planters Co-Operative Ltd. | 50.00 | 124 | 6.20 | 124 | 6.20 |
| Madhuting Tea Private Limited | 1,000.00 | 5,000 | 30,010.50 | 5,000 | 30,010.50 |
| Tectura Corporation (*) | 100.00 | 1,79,265 | 9,917.74 | 1,79,265 | 9,917.74 |
| 5% Non-redeemable debenture stock 1957 in The East | | - | 2.50 | - | 2.50 |

Dhunseri Investments Limited-Information Memorandum

| | | | | | |
|---|--|----------|---------------------|----------|---------------------|
| India Clinic Limited | | | | | |
| | | 2,37,419 | 40,488.29 | 2,37,419 | 40,488.29 |
| B. Current Investment | | | | | |
| In Mutual Fund | | | | | |
| HDFC Cash Management Fund- Treasury Advantage Plan - Retail | | - | - | 85,191 | 1,700.00 |
| | | - | - | 85,191 | 1,700.00 |
| Grand Total | | | 16,98,122.07 | | 17,80,943.35 |
| Aggregate of Quoted Investments (Book Value) | | | 16,57,605.33 | | 17,38,726.61 |
| Aggregate of Unquoted Investments (Book Value) | | | 40,516.74 | | 42,216.74 |
| Aggregate of Quoted Investments (Market Value) | | | 30,20,226.66 | | 18,20,197.94 |

* Pursuant to an agreement dated November 6, 2006 between (i) the Company along with certain other Companies (collectively the Sellers),

(ii) Euroinfo Systems Pvt.Ltd. And (iii) Tectura Corporation, USA (the Buyer), 70,000 shares of Euroinfo Systems Pvt. Ltd. held by the Company were sold to Tectura Corporation subject to certain terms and conditions as mentioned in the agreement at the aggregate of following purchase price subject to clause (c) as below :

(a) 179.265 fully paid up, common stock of Tectura Corporation - these stocks are held in escrow at and shall be released after 3 years commencing from the closing date thereafter the company may elect to exercise their redemption option anytime at an agreed price and

(b) annual stock dividend in the form of Tectura Corporation's common stock after 24 and 36 months post closing. During the year Company has received common stock of Tectura Corporation in lieu of Dividend on completion of 24 months post closing in term of the above mention agreement.

(c) a price adjustment in the form of Tectura Corporation's common stock, if tangible net worth of Euroinfo Systems Pvt. Ltd. as on the date preceding the closing date is less than certain limits.

(Amount Rs `000)

| SCHEDULE - 5 | | |
|--|-------------------------------------|---------------------------------|
| | As at September 30, 2010 | As at March 31, 2010 |
| SUNDRY DEBTORS | | |
| (Unsecured and considered good by the Management) | | |
| i) Debts Outstanding for a period exceeding Six Month) | - | - |
| ii) Other Debts - Less than Six Months | 1061.02 | - |
| TOTAL | 1061.02 | - |

(Amount Rs `000)

| SCHEDULE - 6 | | |
|--|-------------------------------------|---------------------------------|
| | As at September 30, 2010 | As at March 31, 2010 |
| CASH AND BANK BALANCES | | |
| Cash in hand | 3.90 | 4.26 |
| Balances with Scheduled Banks On Current Accounts | 1647.78 | 537.95 |
| TOTAL | 1,651.68 | 542.21 |

(Amount Rs `000)

| SCHEDULE - 7 | | |
|------------------------------|-------------------------------------|---------------------------------|
| | As at September 30, 2010 | As at March 31, 2010 |
| OTHER CURRENT ASSETS: | | |
| Dividend Account | 5,855.45 | - |
| TDS Receivables | 62.75 | 32.00 |
| TOTAL | 5,918.20 | 32.00 |

(Amount Rs `000)

| SCHEDULE - 8 | | |
|---------------------------|-------------------------------------|---------------------------------|
| | As at September 30, 2010 | As at March 31, 2010 |
| LOANS AND ADVANCES | | |
| Advance Income Tax | 2,502.04 | 2,502.04 |
| Other Advance | 796.48 | 510.36 |
| TOTAL | 3,298.52 | 3,012.40 |

(Amount Rs `000)

| SCHEDULE - 9 | | |
|---|-------------------------------------|---------------------------------|
| | As at September 30, 2010 | As at March 31, 2010 |
| CURRENT LIABILITIES AND PROVISIONS | | |
| A. Current Liabilities | | |
| Creditor for Advances (DPTL) | 30,270.46 | 1,99,868.89 |
| Liabilities For Expenses | 276.50 | 550.60 |
| | 30,546.96 | 2,00,419.49 |
| B. Provisions | | |
| Proposed Dividend | 5,855.45 | 5,855.45 |
| Tax on Dividend | - | 972.52 |
| For Retirement & Other Employee Benefits | 316.44 | 420.52 |
| For Taxation | 8002.28 | 552.28 |
| | 14,172.17 | 7,800.77 |
| TOTAL | 44,719.13 | 2,08,220.26 |

SCHEDULE – 10

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30th SEPTEMBER 2010

1. SIGNIFICANT ACCOUNTING POLICIES:

a) CONVENTION

The accounts have been prepared to comply in all material respects with applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

b) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Historical Cost convention. All expenses and income unless specifically stated to be otherwise have been accounted for on accrual basis.

c) FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation. Cost includes expenditure incurred in the acquisition and construction/installation and other related expenses.

d) DEPRECIATION

Depreciation on fixed assets has been provided on Straight-Line Method at the rates specified in Schedule XIV of the Companies Act, 1956. Assets costing below Rs.5,000/- each are fully depreciated in the year of addition. Lease-hold land is amortised over the effective period of lease.

e) INVESTMENTS

Long Term Investments are stated at cost. Diminution in value thereof as determined which are not temporary in nature are adjusted there from and charged to revenue. Current Investments if any are valued at lower of cost and fair value of such investments.

f) EMPLOYEE BENEFITS

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered. However there are no employees in the current year and hence no such amount has been debited in the current year.

Liabilities in respect of Defined Benefits plans namely retirement gratuities and encashment of unavailed leave are unfunded and calculated by an independent actuary at the year-end and provided for. Actuarial gains/ losses are recognised in the statement of Profit and Loss Account.

g) REVENUE RECOGNITION

i) Profit/(Loss) on sale of investments is taken to Profit and Loss Account.

ii) Dividend income is accounted for on receipt basis.

iii) Income arising on account of job work relating to packeting of Tea is accounted as and when bills are raised on the party after completion of the respective assignment.

h) TAXES ON INCOME

i) Current Tax is determined in accordance with the provision of Income Tax Act, 1961.

ii) Deferred Tax has been recognised for all timing differences, subject to consideration of prudence in respect of Deferred Tax Assets.

iii) Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of section 115JAA of the Income Tax Act, 1961 based on the convincing evidence that the Company will pay normal Income-tax within statutory time frame and is reviewed at each Balance Sheet date.

i) LEASES

a) Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the leases at the lower of the fair value or the present value of minimum lease payment and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

b) Assets acquired on lease where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Profit and Loss Account on accrual basis.

2 NOTES ON ACCOUNTS

- a. The Company allotted on 21st July, 2010, 58,55,448 equity shares of Rs.10/- each fully paid-up to the shareholders of Dhunseri Petrochem & Tea Ltd., as per scheme of Arrangement sanctioned by Hon'ble High Court at Calcutta.
- b. Provision of Permanent diminution, if any, in the value of investments would be made at the time of finalisation of the accounts for the year ended 31st March, 2011.
- c. Provision for Deferred Tax, if any, in accordance with the Accounting Standard -22 issued by "The Institute of Chartered Accountants of India" will be made at the end of the Financial Year.
- d. Liability, if any, in respect of revised Accounting Standard 15 will be provided at the year end.
- e. The Company is in the process of listing of its shares in Bombay Stock Exchange and National Stock Exchange.
- f. Figures have been rounded off in thousands.

SHUBHAM DAGA, FCA, PARTNER
Membership No: 063574
For and on behalf of Dhandhanian & Associates
Chartered Accountants
Firm Reg. No. 316052E
Place: Kolkata
Dated: The 14th day of November, 2010

For and on Behalf of Board
C. K. Dhanuka - Chairman
B. D. Beriwal Director
B. K. Biyani Director

R. Mahadevan
Secretary

FINANCIAL AND OTHER INFORMATION OF COMPANIES UNDER THE SAME MANAGEMENT

The top five companies which are the part of our Promoter Group are as follows:

1. Dhunseri Petrochem & Tea Limited (DPTL)
2. Naga Dhunseri Group Limited (NDGL)
3. Plenty Valley Intra Limited (PVIL)
4. Mint Investments Limited (MIL)
5. Madhuting Tea Private Limited (MTPL)

1. Dhunseri Petrochem & Tea Limited (DPTL)

Dhunseri Petrochem & Tea Limited was originally incorporated with the name Dhunseri Tea Company Limited on May 11, 1916 under the Companies Act, 1913 with a certificate to commence business on June 10, 1916. The name changed to Dhunseri Tea & Industries Limited on June 27, 1970. The name further changed to Dhunseri Petrochem & Tea Limited on July 1, 2010. The shares of Dhunseri Petrochem & Tea Limited are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange Limited (BSE). Presently the registered office of Dhunseri Petrochem & Tea Limited is situated at Dhunseri House', 4A, Woodburn Park, Kolkata- 700 020. The Company is engaged in the business of growing & manufacturing tea and is also engaged in the business of manufacture of PET Resin.

Corporate Identity Number: L15492WB1916PLC002697

Shareholding Pattern

The shareholding pattern of DPTL as on December 31, 2010 is as follows:

| Particulars | No. of shares | % of Shareholding |
|---------------------------|----------------------|--------------------------|
| Promoter & Promoter Group | 21929512 | 62.61 |
| Others | 13095242 | 37.39 |
| Total | 35024754 | 100.00 |

Board of Directors

The Board of Directors of Dhunseri Petrochem & Tea Limited comprises of:

| SI No. | Name | Designation |
|---------------|----------------------------|---|
| 1 | Mr Chandra Kumar Dhanuka | Executive Chairman (Non-Independent Director) |
| 2 | Mr Mrigank Dhanuka | Vice Chairman & Executive Director/Promoter relative |
| 3 | Mr Biswanath Chattopadhyay | Executive Director & CEO (Non-Independent Director) |
| 4 | Mr Brijesh Kumar Biyani | Executive Director (Corporate) (Non-Independent Director) |
| 5 | Mr Pradip Kumar Khaitan | Non- Executive Director (Non-Independent Director) |
| 6 | Mr. Bharat Bajoria | Non- Executive Director (Independent Director) |
| 7 | Mr Yves F Lombard | Non- Executive Director (Non-Independent Director) |
| 8 | Mr. Joginder Pal Kundra | Non- Executive Director (Independent Director) |
| 9 | Dr Basudeb Sen | Non- Executive Director (Independent Director) |
| 10 | Mr Anurag Bagaria | Non- Executive Director (Independent Director) |
| 11 | Mr. Raj Narain Bhardwaj | Non- Executive Director (Independent Director) |
| 12 | Mr Sanjay Kumar Pai | Nominee Director (Independent Director) |

Change in Management

There has been no change in the management of Dhunseri Petrochem & Tea Limited in the last three years.

Financial Performance

Financial performance of DPTL for the last three years is as follows:

| Particulars | (Rs. in Lacs) | | |
|--|----------------|----------------|----------------|
| | March 31, 2010 | March 31, 2009 | March 31, 2008 |
| Total Income | 120,349.92 | 11,830.31 | 10,372.46 |
| Profit after Tax | 8,905.38 | 1,665.55 | 1,351.04 |
| Equity Capital | 1,171.90 | 1,171.90 | 699.19 |
| Share Capital Suspense | 2331.39 | - | 472.71 |
| Reserves (excluding revaluation reserve) | 57,154.08 | 13,117.86 | 11,745.08 |
| Net worth | 60,657.37 | 14,289.76 | 12,916.98 |
| NAV per share in Rs. | 173.18 | 122.02 | 110.30 |
| Earnings per share (EPS) in Rs. | 25.42 | 14.22 | 11.54 |
| No. of Equity Shares of Rs.10/- each | 35,024,754* | 11,710,895 | 11,710,895** |

* includes 23,313,859 Shares in Suspense Account;

** includes 4,727,0995 Shares in Suspense Account

Particulars of high, low and average prices of the shares of Dhunseri Petrochem & Tea Limited during the preceding three years is as under:

BSE

| Calendar Year | High Price (Rs.) | Low Price(Rs.) | Average Price(Rs.) |
|---------------|------------------|----------------|--------------------|
| 2008 | 199.90 | 62.50 | 110.40 |
| 2009 | 183.50 | 56.00 | 121.85 |
| 2010 | 243.75 | 136.55 | 174.40 |

NSE

| Calendar Year | High Price (Rs.) | Low Price(Rs.) | Average Price(Rs.) |
|---------------|------------------|----------------|--------------------|
| 2008 | 178.50 | 65.10 | 106.54 |
| 2009 | 190.00 | 54.00 | 124.45 |
| 2010 | 243.95 | 133.00 | 174.27 |

Dhunseri Petrochem & Tea Limited is not a Sick Industrial Company within the meaning of the SICA.

2. Naga Dhunseri Group Limited (NDGL)

Naga Dhunseri Group Limited was originally incorporated as Naga Hills Tea Co. Ltd. on August 26, 1918 pursuant to The Indian Companies Act, 1913. It got its certificate for commencement of business on December 18, 1920. On September 17, 1990 the name changed to Naga Dhunseri Holding Group Limited pursuant to a fresh certificate of incorporation. The name further changed to Naga Dhunseri Group Limited on March 7, 1995 pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, West Bengal. The shares of Naga Dhunseri Group Limited are listed on The Calcutta Stock Exchange. Presently the registered office of Naga Dhunseri Group Limited is situated at Dhunseri House', 4A, Woodburn Park, Kolkata- 700 020. The Company is an Investment Company registered with Reserve Bank of India as a Non Banking Financial Company.

Corporate Identity Number: L01132WB1918PLC003029

Shareholding Pattern

The shareholding pattern of NDGL as on December 31, 2010 is as follows:

| Particulars | No. of shares | % of Shareholding |
|---------------------------|------------------|-------------------|
| Promoter & Promoter Group | 729,134 | 72.91 |
| Others | 270,866 | 27.09 |
| Total | 1,000,000 | 100.00 |

Board of Directors

The Board of Directors of Naga Dhunseri Group Limited comprises of:

| Sr. No. | Name | Designation |
|---------|--------------------|----------------------------------|
| 1. | Mr. C. K. Dhanuka | Non-Executive Chairman, Promoter |
| 2. | Mr. I. K. Kejriwal | Non-Executive Independent |
| 3. | Mr. N. G. Khaitan | Non-Executive Independent |
| 4. | Mrs. Aruna Dhanuka | Non-Executive Promoter |
| 5. | Mr. M. Dhanuka | Non-Executive Promoter |
| 6. | Mr. Rajeev Rungta | Non-Executive/ Independent |
| 7. | Mr. G. R. Goenka | Non-Executive Independent |

Change in Management

There has been no change in the management of Naga Dhunseri Group Limited in the last three years.

Financial Performance

Financial performance of NDGL for the last three years is as follows:

| Particulars | (Rs. in Lacs) | | |
|--|----------------------|----------------------|----------------------|
| | As on March 31, 2010 | As on March 31, 2009 | As on March 31, 2008 |
| Total Income | 2,021.21 | 655.76 | 3,524.14 |
| Profit after Tax | 453.36 | (341.43) | 1,267.72 |
| Equity Capital | 100.00 | 100.00 | 100.00 |
| Reserves (excluding revaluation reserve) | 4,079.19 | 3,649.15 | 4,002.81 |
| Net worth | 4,179.19 | 3,749.15 | 4,102.81 |
| NAV per share in Rs. | 417.92 | 374.91 | 410.28 |
| Earnings per share (EPS) in Rs. | 45.34 | (34.14) | 126.77 |
| No. of Equity Shares of Rs. 10/- each. | 1,000,000 | 1,000,000 | 1,000,000 |

Naga Dhunseri Group Limited is not a Sick Industrial Company within the meaning of the SICA.

3. Plenty Valley Intra Limited (PVIL)

Plenty Valley Intra Limited was originally incorporated as Plenty Valley Timber & Coffee Limited on July 21, 1989 under the Companies Act, 1956 by a certificate of incorporation issued by the Registrar of Companies, West Bengal. The Company commenced its business on August 18, 1989. On September 17, 1996 the name of the Company was changed to Plenty Valley Intra Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, West Bengal. The shares of Plenty Valley Intra Limited are listed on the Calcutta Stock Exchange and Madras Stock Exchange. Presently the registered office of Plenty Valley Intra Limited is situated at Dhunseri House', 4A, Woodburn Park, Kolkata- 700 020. The Company is an Investment Company registered with Reserve Bank of India as a Non Banking Financial Company.

Corporate Identity Number: L51431WB1989PLC047277

Shareholding Pattern

The shareholding pattern of PVIL as on December 31, 2010 is as follows:

| Particulars | No. of shares | % of Shareholding |
|---------------------------|------------------|-------------------|
| Promoter & Promoter Group | 2,056,300 | 41.126 |
| Others | 2,943,700 | 58.874 |
| Total | 5,000,000 | 100.00 |

Board of Directors

The Board of Directors of Plenty Valley Intra Limited comprises of:

| Sr. No. | Name | Designation |
|---------|----------------------------|--|
| 1. | Mr. C. K. Dhanuka | Chairman Non-Executive Promoter Director |
| 2. | Mrs. Aruna Dhanuka | Managing Director & Promoter's Relative |
| 3. | Mr. P. J. Bhide | Independent Non-Executive |
| 4. | Mr. R. K. Gupta | Independent Non-Executive |
| 5. | Mr. Ramesh Chandak | Independent Non-Executive |
| 6. | Mr. Rajya Vardhan Kejriwal | Independent Non-Executive |
| 7. | Mrs. Aarti B. Aggarwal | Independent Non-Executive |

Change in Management

There has been no change in the management of Plenty Valley Intra Limited in the last three years.

Financial Performance

Financial performance of PVIL for the last three years is as follows:

| Particulars | (Rs. in Lacs) | | |
|--|----------------|----------------|----------------|
| | March 31, 2010 | March 31, 2009 | March 31, 2008 |
| Total Income | 344.90 | 119.91 | 779.27 |
| Profit after Tax | 86.14 | (205.83) | 477.35 |
| Equity Capital | 500.00 | 500.00 | 500.00 |
| Reserves (excluding revaluation reserve) | 1,044.53 | 963.52 | 1,176.62 |
| Net worth | 1,544.53 | 1,463.52 | 1,676.62 |
| NAV per share in Rs. | 30.89 | 29.27 | 33.53 |
| Earnings per share (EPS) in Rs. | 1.72 | (4.12) | 9.55 |
| No. of Equity Shares of Rs 10/- each | 5,000,000 | 5,000,000 | 5,000,000 |

Plenty Valley Intra Limited is not a Sick Industrial Company within the meaning of the SICA.

4. Mint Investments Limited (MIL)

Mint Investments Limited was incorporated as a Public Company on January 11, 1974 under the Companies Act, 1956 and received its certificate to commence business on January 29, 1974. The shares of Mint Investments Limited are listed on The Calcutta Stock Exchange. Presently the registered office of Mint Investments Limited is situated at Dhunseri House', 4A, Woodburn Park, Kolkata- 700 020. The Company is an investment company registered with Reserve Bank of India as a Non Banking Financial Company.

Corporate Identity Number: L15142WB1974PLC029184

Shareholding Pattern

The shareholding pattern of MIL as on December 31, 2010 is as follows:

| Particulars | No. of shares | % of Shareholding |
|---------------------------|------------------|-------------------|
| Promoter & Promoter Group | 3,894,340 | 70.29 |
| Others | 1,645,660 | 29.71 |
| Total | 5,540,000 | 100.00 |

Board of Directors

The Board of Directors of Mint Investments Limited comprises of:

| Sr. No. | Name | Designation |
|---------|----------------------|--|
| 1. | Mr. C. K. Dhanuka | Chairman Non-Executive Promoter Director |
| 2. | Mrs. Aruna Dhanuka | Managing Director & Promoter's Relative |
| 3. | Mr. M. L. Khemka | Independent Non-Executive |
| 4. | Mr. B. L. Chandak | Independent Non-Executive |
| 5. | Mr. Mrigank Dhanuka | Non-Executive Promoter's Relative |
| 6. | Mr. Yashwant Daga | Independent Non-Executive |
| 7. | Mr. Anil Bhutoria | Independent Non-Executive |
| 8. | Mrs. Bharati Dhanuka | Executive Director Promoter's Relative |

Change in Management

There has been no change in the management of Mint Investments Limited in the last three years.

Financial Performance

Financial performance of MIL for the last three years is as follows:

| Particulars | (Rs. in Lacs) | | |
|--|----------------|----------------|----------------|
| | March 31, 2010 | March 31, 2009 | March 31, 2008 |
| Total Income | 1,397.48 | 637.97 | 1,589.09 |
| Profit after Tax | 227.14 | (23.92) | 884.19 |
| Equity Capital | 554.00 | 279.00 | 300.00 |
| Share Capital Suspense | - | 275.00 | - |
| Reserves (excluding revaluation reserve) | 5,269.92 | 5,075.17 | 2,942.26 |
| Miscellaneous Expenditure | 18.00 | - | - |
| Net worth | 5,805.92 | 5,629.17 | 3,242.26 |
| NAV per share in Rs. | 104.80 | 101.61 | 108.08 |
| Earnings per share (EPS) in Rs. | 4.10 | (0.43) | 29.47 |
| No. of Equity Shares of Rs. 10/- each | 5,540,000 | 5,540,000* | 3,000,000 |

* includes 2,750,000 Shares in Suspense Account

Mint Investments Limited is not a Sick Industrial Company within the meaning of the SICA.

5. Madhuting Tea Private Limited (MTPL)

MTPL was incorporated on August 5, 1938 under the Companies Act, 1913 by a certificate of incorporation issued by the Registrar of Companies, Shillong. Presently the registered office of the MTPL is situated at Bordubi Road, Hoogrijan, Dibrugarh, Assam – 786 001. The Company is engaged in the business of growing and manufacturing of Tea.

Corporate Identity Number: U01132AS1938PTC000500

Shareholding Pattern

The shareholding pattern of MTPL as on December 31, 2010 is as follows:

| Particulars | No. of shares | % of Shareholding |
|---------------------------|---------------|-------------------|
| Promoter & Promoter Group | 10,000 | 100.00 |
| Total | 10,000 | 100.00 |

Board of Directors

The Board of Directors of Madhuting Tea Private Limited comprises of:

| Sr. No. | Name | Designation |
|----------------|---------------------------------|--------------------|
| 1. | Mr. C. K. Dhanuka | Chairman |
| 2. | Mrs. Aruna Dhanuka | Director |
| 3. | Mr. Mrigank Dhanuka | Director |
| 4. | Mr. Brijesh Kr. Biyani | Director |
| 5. | Mr. Kailash Kr. Tibrewalla | Director |
| 6. | Mr. Prakash Chandra Dhandhanian | Director |

Change in Management

There has been no change in the management of Madhuting Tea Private Limited in the last three years.

Financial Performance

Financial performance of MTPL for the last three years is as follows:

| Particulars | (Rs. in Lacs) | | |
|--|---------------------------|---------------------------|---------------------------|
| | March 31, 2010 | March 31, 2009 | March 31, 2008 |
| Total Income | 1,253.69 | 1,005.84 | 858.30 |
| Profit after Tax | 309.97 | (14.62) | 73.86 |
| Equity Capital | 100.00 | 100.00 | 100.00 |
| Reserves (excluding revaluation reserve) | 549.30 | 239.33 | 253.94 |
| Net worth | 649.30 | 339.33 | 353.94 |
| NAV per share in Rs. | 6,492.99 | 3,393.30 | 3539.47 |
| Earnings per share (EPS) in Rs. | 3,100 | (146.16) | 739 |
| No. of Equity Shares of Rs. 1000/- each | 10,000 | 10,000 | 10,000 |

Madhuting Tea Private Limited is not a Sick Industrial Company within the meaning of the SICA.

V. LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

- **Case Pending against Dhunseri Investments Limited**

As on date there are no outstanding litigation matters pending against the Company.

- **Case Pending against Promoter of Dhunseri Investments Limited**

As on date there are no outstanding litigation matters pending against the Promoter.

- **Case Pending against Directors involving Dhunseri Investments Limited**

As on date there are no outstanding litigation matters pending against the Directors.

- **Material Litigations Involving Group Companies of Dhunseri Investments Limited**

- (i) Litigations relating to Dhunseri Petrochem & Tea Limited (DPTL):**

The Registrar of Companies, West Bengal has issued 37 Show Cause Notices (SCNs) against the Company {including erstwhile South Asian Petrochem Ltd., erstwhile Tezapore Tea Co. Ltd. and erstwhile UNISTock Pvt. Ltd. (since merged with the Company)}/ its various Directors for the alleged offences under the Companies Act, 1956.

Out of the aforesaid SCNs, in respect of 32 SCNs, the Hon'ble High Court at Calcutta has restrained the Registrar from instituting criminal proceedings.

In respect of the balance 5 SCNs, where the Registrar had initiated criminal proceedings, necessary applications have been made in the appropriate court for quashing/defending the same.

There are 12 cases relating to Excise/Customs/Service Tax/Income tax pending before the relevant authorities involving a total aggregate liability of Rs. 1.84 Crores.

- (ii) Litigations relating to Naga Dhunseri Group Limited (NDGL):**

There are no outstanding litigation matters pending against NDGL as on date.

- (iii) Litigations relating to Plenty Valley Intra Limited (PVIL):**

There are no outstanding litigation matters pending against PVIL as on date.

- (iv) Litigations relating to Mint Investments Limited (MIL):**

There are no outstanding litigation matters pending against MIL as on date

- (v) Litigations relating to Madhuting Tea Private Limited (MTPL):**

There are no outstanding litigation matters pending against MTPL as on date.

GOVERNMENT APPROVALS

APPROVAL MATERIAL TO THE CURRENT BUSINESS ACTIVITIES

A. INCOME TAX REGISTRATIONS

| Sl. No. | Description | Reference |
|---------|--------------------------|------------|
| 1 | Permanent Account Number | AABCD8742Q |
| 2 | TAN Number (Jaipur) | JPRD03769D |
| 3 | TAN Number (Calcutta) | CALD07092B |

B. SERVICE TAX REGISTRATIONS

| Description | Reference/ Registration No. |
|-----------------|-----------------------------|
| Service Tax No. | AABCD8742QSD001 |

C. LABOUR/EMPLOYEE RELATED APPROVALS

| SL No. | Description | Location | Reference No. | Authority | Date of Issue |
|--------|--|----------|---------------------|---|-----------------------------|
| 1 | Provident Fund Registration | Jaipur | RJ/9892 | Regional P.F. Commissioner, Jaipur | December 18, 2003 |
| 2 | Employees State Insurance Registration | Jaipur | 15000160860000099 | Regional Director, ESIC, Jaipur | 11 th June, 2001 |
| 3 | Contractor License | Jaipur | JLC/CLA/R.N.38/2001 | Asstt. / Joint Lab. Commissioner Jaipur | December 5, 2001 |

D. TRADE LICENSSES

| Reference/ Registration No. | Authority | Validity |
|-----------------------------|-------------------------------|----------------|
| 304710000353 | Kolkata Municipal Corporation | March 31, 2011 |

E. FACTORY LICENSES

| Sl. NO. | Location | Approval Granted | Reference/ Registration No. | Authority | Date of Issue | Validity |
|---------|----------|------------------|-----------------------------|---|------------------|-------------------|
| 1 | Jaipur | Factory License | (Sr. No. 41089) RJ/23284 | Chief Inspector Factory & Boilers Rajasthan, Jaipur | July 29, 1998 | March 31, 2012 |

F. FOOD & WEIGHT LICENSES & OTHERS

| Sl. NO. | Description | Reference/ Registration No. | Authority | Date of Issue | Validity |
|---------|--|---|---|---|--------------------|
| 1 | Issued under Registration under Packaged Commodity Act, 1977 | F-6/328 (91) WMD/Inter State/Ind./JPR dated 15.07.2008 | Weight & Measurement Dept. | Application dated 12.08.2010 for transfer of the Registration in favour of DIL is pending approval. | - |
| 2 | Stamping on Weighing Scale & Certificate | 2150/12 | Inspector Weight & Measurement Dept. | September 21, 2010 | September 21, 2011 |
| 3 | Food License | 9001/3053 | Nagar Nigam Jaipur | February 18, 2011 | December 31, 2011 |
| 4 | District Ind. Centre (DIC) | PMT Certificate No. 17/13/011157 PMT/SSI & 08/02/12/06364 | Department of Industries, Government of Rajasthan | January 20, 2011 | - |

VI. REGULATORY AND STATUTORY DISCLOSURES

Authority for the scheme

The Scheme of Arrangement was approved by the respective Board of Directors of DPTL, DIL, SAPL and DPL at their respective board meetings held on 15th December, 2009 and was also duly approved by the shareholders of the said Companies under Section 391(1) of the Companies Act, 1956. In this regard meetings of shareholders of DPTL and SAPL were held on 9th March 2010 while meetings of shareholders of DIL & DPL were dispensed with in terms of the Order dated 8th February 2010 of the Hon'ble High Court at Calcutta. Subsequently, the Scheme of Arrangement was sanctioned by the Hon'ble High Court at Calcutta by an Order dated 06th May, 2010 passed under Sections 391(2) and 394 of the Companies Act, 1956.

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Disclaimer Statement by the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI circular no. SEBI/CFD/SCRR/01/2009/03/09 dated September 03, 2009 or any other material issued by or at the instance of the Company and that any one placing reliance on any other source of information would be doing so at his own risk.

Listing

Application has been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated Bombay Stock Exchange as the Designated Stock Exchange for the aforesaid listing of shares. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within such period as approved by SEBI.

In Principle Approval from BSE & NSE

The Company has received in-principle approval for Listing from BSE bearing no. DCS/AMAL/SI/IP/785/2010-11 dated November 16, 2010 and from NSE bearing no. NSE/LIST/154303-W dated December 22, 2010.

SEBI Relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957

The Securities and Exchange Board of India has given relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 to the company vides the letter CFD/DIL/SP/RN/2985/2011 dated January 31, 2011.

Disclaimer Clause by BSE

As required, a copy of this Information Memorandum has been submitted to BSE. The BSE has vide its letter dated November 16, 2010 approved the said Scheme under clause 24(f) of the Listing Agreement and by virtue of that approval the BSE's name in this Information Memorandum has been incorporated as the Stock Exchange on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

- Warrant, certify and endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that this Company's securities will be listed or will continue to be listed on the BSE; or

- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company; and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

No Objection from BSE & NSE

The NOC from BSE & NSE was received on January 28, 2010.

Filing

Copy of this Information Memorandum has been filed with BSE and NSE.

Demat Credit

The Company has executed Agreements with NSDL and CDSL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE320L01011. Shares have been allotted to those shareholders who have provided necessary details to the Company and/or who were holding their shares in DTIL in demat form as well as physical shares as on the Record Date.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Previous Rights and Public Issues

The Company has not made any public or rights issue since incorporation.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the same management

There are only four listed companies under the same management within the meaning of erstwhile Section 370(1B) of the Companies Act viz. Dhunseri Petrochem & Tea Limited, Naga Dhunseri Group Limited, Plenty Valley Intra Limited and Mint Investments Limited and the requisite details in respect of these companies have been provided under information on Group companies.

Promise vis-a-vis Performance

This is for the first time the Company is getting listed on the Stock Exchange.

Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued By the Issuer Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

Stock Market Data for Equity Shares of the Company

Equity shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of shares through this Information Memorandum.

Disposal of Investor Grievances

Maheshwari Datamatics Private Limited are the Registrars and Share Transfer Agents of the Company to accept the documents/requests/complaints from the investors/shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding in the respective processing units.

The documents are thereafter processed and necessary action taken by professionally trained personnels with a view to redress the matters accordingly.

The Company also has set up a secretarial department to deal with all investor related matters and all necessary actions are initiated by trained and experienced personnel with a view to redress the investor related issues at the earliest to the satisfaction of the investors.

Maheshwari Datamatics Private Limited maintains an age-wise analysis of the process to ensure that the standards are duly adhered to and Mr. R. Mahadevan, the Company Secretary of the Company is vested with the responsibility of addressing the Investors Grievance in coordination with the Registrars & Share Transfer Agents.

MAIN PROVISION OF ARTICLES OF ASSOCIATION OF THE COMPANY

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

- 3) The Authorised Share Capital of the Company shall be the amount as stated in Clause V of the Memorandum of Association of the Company from time to time.
- 4) Any unclassified shares of the Company for the time being (whether forming part of the original capital or of any increased capital of the Company) may be issued either with the sanction of the Company in General Meeting or by the Board, with such rights and privileges annexed thereto and upon such terms and conditions as the General Meeting sanctioning the issue of such shares may direct, and if no such direction shall be given and in all other cases as the Directors shall determine, and, in particular, such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.
- 5) The Company in General Meeting may from time to time by an Ordinary Resolution, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as directed by the General Meeting creating the same and if no direction be given by the General Meeting, as the Board shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with or without a right of voting at General Meetings of the Company but shall be subject to the provisions of the Act.
- 6) Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- 7) Subject to the provisions of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the redemption of Preference Shares hereunder may be effected in accordance with the terms and conditions of their issue and failing that in such manner as the Directors may think fit.
- 8) The Company may (subject to the provisions of the Act), from time to time, by Special Resolution, reduce its capital, any Capital Redemption Reserve Account or the Share Premium Account in any manner for the time being authorized by law and, in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.
- 9) Subject to the provisions of the Act the Company in General Meeting may, from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 10) Whenever the Capital by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of that class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of shares of that class. This Article is not to derogate from any power the Company would have if this Article were omitted.

SHARES AND CERTIFICATES

- 11) The shares in the Capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number for which the same was originally distinguished.
- 12) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares.
 - a. Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up in those shares at that date;
 - b. the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time, not being less than thirty days from the date of the offer, within which the offer if not accepted, will be deemed to have been declined;
 - c. after the expiry of the time specified in the aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company. Notwithstanding anything contained in the clause (a) of this Article, the further shares aforesaid may be offered in any manner whatsoever and to any person or persons whether or not such person or persons include persons who, at the date of the offer, are holders of the equity shares of the Company, if such offer is authorised by a Special Resolution of the Company in General Meeting.
- 13) If and whenever as a result of issue of new or further shares or any consolidation or subdivision of shares, any shares held by members become in fractions, the Board shall subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Directors may authorize any person to transfer the shares sold to the purchaser thereof, and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to such sale.
- 14) Subject to the provisions of these Articles and of the Act, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company), shall be under the control of the Board, who may allot or otherwise dispose of the same to such persons on such terms and conditions and subject to the provisions of the Act either at a premium or at par or at a discount and at such times as the Board thinks fit. Provided that the option or right to call for shares shall not be given to any persons except with the sanction of the Company in the General Meeting.
- 15) In addition to and without derogating from powers for that purpose conferred on the Board under Articles 12 and 14 of these Articles, the Company in General Meeting may, subject to the provisions of the Act, determine to issue further shares out of the authorised but unissued capital of the Company and may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons, (whether a Member or a holder of debentures or not), in such proportion and on such terms and conditions and subject to compliance with the provisions of the Act, either at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether Members or holders of debentures of the Company or not), the option to call for or be allotted shares of any class of the Company (subject to compliance with the provisions of the Act), either at a premium or at par or at a discount, such option being exercisable at such time and for such consideration as may be directed

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by such General Meeting of the Company or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

- 16) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of the articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a Member.
- 17) Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property (including goodwill of any business), sold or transferred, goods or machinery supplied or for services rendered to the Company, either in or about the conduct of business of the Company and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash and if so issued shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.
- 18) The money (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
- 19) Every member, or his heirs, executors, or administrators or other legal representatives shall pay to the Company, the portion of the capital represented by his share or shares which may for the time being remain unpaid thereon, such amounts at such times and in such manner as the Board shall from time to time in accordance with the Company's regulations require or fix for the payment thereof.
- 20) a) Every member or allottee of shares shall be entitled without payment, to receive one or more certificates in marketable lots specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. For any further certificate the Board shall be entitled, but shall not be bound to prescribe, such charge as it deems fit subject to any applicable provisions of the Act if any for the time being in force. Such certificate shall be issued only in pursuance of a resolution passed by the Board on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the Seal of the Company.

b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single Member, and the certificate of any share, which may be subject matter of joint ownership, shall be delivered only to such joint owner whose name stand first in the Register on behalf of all of them. The Company shall not be bound to register more than three names as joint holders of any shares.
- 21) A certificate of shares may be renewed or duplicate issued in accordance with the provisions of the Act and the Companies (Issue of share certificate) Rules, 1960 or in accordance with any other law for the time being in force.
- 22) The Company may issue such fractional certificates as the Board may approve in respect of any of the Shares of the Company on such terms as the Board thinks fit.
- 23) a) Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold beneficial interest, in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in the Act.

b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person or persons in whose name

the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.

c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.

d) Notwithstanding anything contained in these Articles, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file, within the time prescribed from the date of receipt of the declaration, a return in the prescribed form with the Registrar with regard to such declaration.

- 24) If any share stands in the names of two or more persons, the person first named in the Register of Members shall as regards receipt of dividends or bonus, or services of notice and all or any other matters connected with the Company except voting at Meetings and the transfer of shares, be deemed the sole holder thereof, but the joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share, and for all incidents thereof.
- 25) Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or any fractional part of a share or, (except only as by these Articles otherwise expressly provided), any right in respect of a share or any fractional part of a share other than an absolute right to the entirety thereof in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or in the name or names of the survivor or survivors of them.
- 26) The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of the issue of shares of that class be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
- 27) The Company shall have the power to buy its own shares subject to the provision of the Articles and the Act, or any other applicable law for the time being in force.

CALLS

- 31) Subject to the provisions of the Act, the Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively whether on account of nominal value of share or by way of premium and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at times and places appointed by the Directors. A call may be made payable by instalments. A call may be revoked or postponed at the discretion of the Directors.
- 32) A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board.
- 33) Not less than 21 days notice of any call shall be given specifying the time and place of payment and to whom such call should be paid.
- 34) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members who the Board may deem fairly entitled to such extension; but no Members shall be entitled to such extension save as a matter of grace and favour.
- 35) If by the terms of issue of any share or otherwise; the whole or part of the amount of issue price thereof is made payable at any fixed time or by Instalments at fixed times, every such amount of

issue price or instalment shall be payable as if it were a call duly made by Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price of instalment accordingly.

- 36) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the Instalment shall be due, shall pay interest for the same at such rate as shall from time to time be determined by the Board of Directors, from the day appointed for the payment thereof to the time of actual payment or at such other rate as the Directors may determine, but they shall have power to waive the payment thereof wholly or in part.
- 37) On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the company in respect of his shares, it will be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a Quorum of Directors was present at the meeting at which any call was made nor that such was duly convened or constituted and any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- 38) The Directors may, if they think fit, receive from any Member, willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may at the option of the Directors pay interest at such rate as may be agreed but the Member shall not be entitled to any voting rights in respect of money so paid by him until the same would but for such payment become presently payable.

ALTERATION OF CAPITAL

- 70) The Company may by ordinary resolution from time to time alter the conditions of the Memorandum of Association as follows:-
- a) Increase the Share Capital by such amount, to be divided into shares of such amount as may be specified in the resolution;
 - b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - c) Subdivide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
 - d) Cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 71) Subject to the provisions of the Act, the Board may accept from any Member the surrender of all or any of his shares on such terms as shall be agreed.

THE SEAL

135) The Directors shall provide a Seal for the purpose of the Company and shall have power from time to time, to destroy the same and substitute a new Seal in lieu thereof and, shall provide for the safe custody of the Seal and the Seal shall except as otherwise empowered under the Act or rules there under, never be used except by the authority of the Directors or of a Committee of the Directors and, at least one Director shall sign every instrument to which the Seal is affixed; Provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

VII. OTHER INFORMATION

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of DIL, as amended till date.
2. Memorandum and Articles of Association of DPTL, SAPL & DPL
3. Certificate of Incorporation.
4. Annual Accounts and Reports of the Statutory Auditors of the Company as mentioned in this Information Memorandum including annual account for financial years 2008-09 & 2009-10.
5. Annual Accounts of DPTL, SAPL & DPL for the financial 2008-09 & 2009-10.
6. Scheme of Arrangement sanctioned by the Hon' ble High Court of Calcutta vide its Order dated May 6, 2010.
7. Certified copy of the Order dated May 6, 2010 sanctioning the Scheme.
8. Notice convening meetings of shareholders to consider Scheme of Arrangement along with Statement under Section 393 of the Companies Act, 1956 and other documents accompanying the same.
9. Report of Messrs. Dhandhanias & Associates, Chartered Accountants on the entitlement ratio of shares to be allotted in consideration of transfer of Jaipur Packet Factory and Investment Division (Demerged Undertaking) of DTIL to DIML and Fairness Opinion thereon of Microsec Capital Limited.
10. Valuation Report of KPMG India Private Limited, Chartered Accountants on the exchange ratio of shares to be allotted in consideration of the amalgamation and Fairness Opinion thereon of Microsec Capital Limited.
11. Receipts/ Proof of filing of the Scheme with ROC as on July 01, 2010.
12. Letters issued by BSE and NSE according their no objection to the Scheme.
13. Tripartite Agreement between the Company, the RTA and NSDL dated July 15, 2010.
14. Tripartite Agreement between the Company, the RTA and CDSL dated August 11, 2010.
15. BSE letter No.DCS/AMAL/SI/IP/785/2010-11 dated November 16, 2010 granting in-principle approval for listing.
16. NSE letter No NSE/LIST/154303-W dated December 22, 2010 granting in-principle approval for listing.
17. SEBI letter No CFD/DIL/SP/RN/2985/2011 dated January 31, 2011 granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules)1975 for listing of the shares of the Company.

DECLARATION

No statement made in this Information Memorandum contravene any of the provisions of the Companies Act 1956 and the rules made there under. All the legal requirements as also the Regulations, Guidelines, instructions, etc., issued by SEBI, Government or any other competent authority in respect of listing of securities have been duly complied with.

**For and on behalf of the Board of Directors
of Dhunseri Investments Limited**

**Chandra Kumar Dhanuka
Chairman & Managing Director**

Dated: 7th March, 2011